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Wednesday 10 March 2004

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Mercredi 10 mars 2004

**Standing committee on
finance and economic affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: Katch Koch

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Wednesday 10 March 2004

Mercredi 10 mars 2004

The committee met at 0900 in room 228.

SUBCOMMITTEE REPORT

The Chair (Mr Pat Hoy): The standing committee on finance and economic affairs will come to order. We are here today for the purposes of report writing on our prior committee work. There was a subcommittee conference call some days ago and we would like to have that put on the record.

Mr Mike Colle (Eglinton-Lawrence): Mr Chair, I'd like to move the report of the subcommittee.

Your subcommittee on committee business met on Wednesday, March 25, 2004, and recommends the following with respect to report writing for pre-budget consultations:

1. That the committee meet from 9 am to 12 noon and from 1 pm to 7 pm for report writing on March 10, 2004.

2. That the report writing be held in open session.

3. That the clerk send a copy of all motions that have been filed or dealt with during public hearings to members of the committee by March 1, 2004, at 12 noon.

4. That the deadline for filing new motions be March 5, 2004, at 5 pm.

5. That the deadline for filing supplementary motions, if any, be March 9, 2004, at 12 noon after the members receive the final draft report.

6. That the deadline for filing dissenting opinions, if any, be March 12, 2004, at 4 pm.

7. That the committee consider the draft report before dealing with the recommendations and motions.

8. That the debate on the draft report be limited to 20 minutes per party.

9. That written submissions received at the deadline of February 13, 2004, be forwarded to the members of the committee.

10. That the clerk and the research officer, in consultation with the Chair, be authorized to organize and cluster the recommendations/motions by sector.

11. That the debate on the recommendations/motions related to each sector be limited to 20 minutes per party.

12. That the Chair, upon completion of the debates for each sector, put every question to dispose of the recommendations/motions related to that sector.

13. That the clerk of the committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee, to make any preliminary arrangements to facilitate the committee's proceedings.

I move adoption of the subcommittee report.

The Chair: Thank you. Any comment?

Mr Bruce Crozier (Essex): I have an amendment to propose to the report: that under recommendation (1) "That the committee meet from 9 am to 12 noon and from 1 pm to 7 pm"—my amendment is to change "7" to read "5 pm for report writing on March 10, 2004."

The Chair: Moved by Mr Crozier. Any comment? Hearing none, all in favour? Carried.

Mr Crozier: Do we have to move the report?

The Chair: Shall the report carry, as amended? All in favour? Carried.

I want to remind members of the amount of work that we have in front of us here today to deal with this report and the time frame that we are now working under. Would it be the committee's wish that the lunch that would be served—that we work through the noon hour? Do we have an agreement on that?

Mr Colle: I think we can take a half-hour break.

The Chair: Lunch would be a half hour? OK.

PRE-BUDGET CONSULTATIONS

The Chair: The next order of business would be to have our researcher give a quick overview of the draft report.

Mr Larry Johnston: Thank you, Mr Chair. The draft report that you have before you and received, I hope, on Monday follows the pattern of previous years. It provides an overview of the principal themes and recommendations that were made to the committee. It does not identify particular witnesses or their recommendations. I remind the members that they received a summary a week previous of the recommendations that were made to the committee with a detailed list of witnesses, using acronyms to identify.

The report follows the same format that you received in the summary. It begins with general fiscal information and recommendations; then specific recommendations for the Minister of Finance of a tax and then non-tax nature, and then other recommendations that were made for other ministries, following in alphabetical order.

Research has made every effort to provide an accurate and impartial overview of what was presented to the committee, both in person and in writing. However, if the committee feels that there are oversights or if there are particular emphases that the committee wishes to put to the report, then research stands ready to be instructed.

The Chair: We'll move along, as described in the subcommittee report, to comment on the draft report. If there are any comments, parties would have up to 20 minutes. Also, we'll deal with recommendations or motions to the draft report at this time. Is there any comment?

Mr John O'Toole (Durham): Yes, thank you, Chair. I apologize for being a bit late. The commute is always a challenge, but it's good to see a strong economy. I remember, when I was elected in 1995, that there were very few cars and trucks on the road. The economy was so weak at the time, but now when I drive in it's bustling with activity.

To focus my comments on the report, I do appreciate staff's work on this report. I think it's fair-minded. As you can see, I have marked it, which means I've read it, which is an important beginning.

I guess I just have a couple of things. If I go through this, my own response would be, if you look at "Fiscal Situation," we're stating—I'm looking at page 2 here. I think it's a fair statement. It's an objective assessment of what the auditors and others have said.

I think sometimes even a reference to what Erik Peters actually said might be a good footnote, meaning you're starting to assume here. I don't want to build this in as a known, a proven outcome of the \$5.6-billion deficit. That number is, to me, at this time, the projected deficit. That was kind of the wording. It gave them lots of room to say, "Unless changes are made, the government will have this kind of deficit." There was some dispute in some reports in the media that indicated that that \$5.6-billion could be avoided, or certainly part of it could be avoided.

But in fairness, when you went further on and talked about some of the underlying causes of that deficit, I think it's fairly stated. I think you clearly indicated that there were some revenue implications, and that really goes over to another section, I believe. You did, under the economy, look at some of the causal effects.

0910

My point, in mentioning this—I'm not sure if the committee would agree to making a reference in there to the audit done by Erik Peters, because the wording in that is very important: "At this time," is what he said. He didn't say there is a deficit; he said, "At this time." We're halfway through the fiscal year. So I'd look for some kind of response from the worthy government.

Paragraph 2 on that same page says, "Over the last three years, program spending in the province increased by more than \$10 billion." All I ever read in the paper on that was that we had cut spending. If we were to somehow reference the increased spending—and in all fairness, it is in some of your documents. We increased funding for health care; we increased funding for education. These are the facts. You're looking at it now. We've got to put on the record clearly that we increased spending, and your challenge there is to recognize that that's either a compliment or a criticism of the previous government. You're going to be faced with many of the same challenges of responding, and that fact. The

revenue only increased by—this is the other part of what I think is the auditor's comments—half a billion. I'm not sure if we're showing all the revenue as it could be reported. Some money, the transfer payments specifically—

The Chair: If there's a section of this particular piece you're talking about that you want to change, could you be specific about which one it is, like the paragraph, and then how you would want it changed.

Mr O'Toole: OK, and I am; I'm getting to that. I just know that I have 20 minutes to use up here. It may not be enough.

The change specifically is in paragraph 1 on page 2. "Fiscal Situation: According to the Ministry of Finance, Ontario's current fiscal outlook is a projected deficit of \$5.621 billion." I'm suggesting that we put in there that it really was the number established by the auditor, the consultant you hired, the first consultant of many; if we could find any way of moderating that, the validity of that 5.6 number. I'm quite concerned that that number isn't extremely valid. There will be arguments made later on in the deliberations here that I don't think that number was a hard, fast number.

In the report I'm looking at, that \$3.09-billion improvement over Mr Peters's revenue forecast of 67.2 is, by others' reports—the tax revenue estimate totalled 68.6 last year, \$2.2 billion more than the government's interim figures. "This improvement, pictured together with recent federal spending announcements and provincial tax increases, means the province would collect \$70.29 billion in revenue this year, a \$3.09-billion improvement over Mr Peters's revenue forecast."

In other words, I just want it to be on the record, and that's what this whole diatribe here is on my part, that that number is somebody's number. If we made reference, I'd be happy with some kind of modification, and I put that on the floor: "according to statements by the consultant, Mr Peters." That's a specific request. Or even footnote it. All right, so that's one note.

The second one is the province's spending has "increased by ... \$10 billion, while tax revenues ..."—but that's the tax revenue. There are other sources of revenue. Maybe we're narrowing it. We're saying specifically tax revenue. I'm in paragraph two, on the second line: "program spending in the province increased ... \$10 billion, while tax revenues increased by half a billion dollars." There again, I'd be looking for some moderating effect of that revenue side. This is tax revenue only. It is not other transfers.

Then it goes on to try and establish that there's a structural deficit that threatens Ontario's ability to balance the budget. Other than that, as I said, I don't really have any criticism. And it isn't really criticism; it's just expanding those two lines. So I don't know how we go about moderating that because the rest is quite factual. That's page 1.

Page 2 is—

The Chair: How would you word the second request? Then we'll deal with it at the end.

Mr O'Toole: The second request, I would say, is that you might get a little bit more technical. I believe the total revenue would be a better statement, as opposed to strictly the tax revenue. If you look at total revenue, and I guess you'd have to look at your own documents on that in your financial statements—I look at total expense and I also look at the revenue side here. Maybe the staff could help me out there.

Mr Toby Barrett (Haldimand-Norfolk-Brant): If I could just interject for a moment, Chair, with respect to page 2 of the draft report. I also wish to commend the research officers for the work done, not only on this draft report but also on the other research papers that were requested by this committee. Mr O'Toole makes reference on page 2 to a phrase, the “deficit that threatens Ontario's ability to balance the budget.” I do wish to point out that it goes into the mantra of revenue problem versus spending problem. I notice under “Fiscal Situation,” third paragraph down, and I'm not questioning these figures at all: “Currently, total revenue is projected at \$69.5 billion for 2003-04, up \$0.92 billion from 2002-03.” That suggests to me that this government does not have a revenue problem. I see very clearly what is close to a \$1-billion increase in revenue projected for the coming 2003-04 fiscal year. I feel that this phrase alone is key, is very important, and I certainly wish to point that out to members of the committee. This government is not looking at a revenue problem; they're looking at an increase in revenue in the coming year. I'm suggesting that that takes us down the road of a discussion of not only a spending problem but, heaven forbid, in the future perhaps a taxing problem.

Mr O'Toole: If I just look at your own fiscal outlook review that was done in December, and the total revenue is \$69.5 billion, which you stated in paragraph three on page 2, and I look at the total operating expense of \$72.5 billion, there's \$3 billion there. That's quite a difference; that's half of what we're stating is the deficit. Then you say that in budgets, when you have half the fiscal year to go, you could go and look at the capital side and there's another \$2.5 billion. Who said you had to build all that stuff? Do you understand? These are the real roles of government, to make difficult but necessary decisions. I'd just like to look at that and put that line up there that the revenue is higher than just the tax revenue. I haven't got anything specific to say on that because we probably won't get much agreement on that.

Again, in the broader sense, I think the explanation of the economic outlook is fair and reasonable. There were some indicators—whether it's SARS or the blackout or other things—that were mentioned as excuses, unforeseen circumstances. I think that's fair. I also think you went on to say that the economy, looking forward, looks strong, which is fair. You haven't actually done anything except increase taxes, and the economy is looking fine, so I wouldn't want to paint too bleak a picture there.

0920

Another point I had here is under “Agriculture”; I'm on page 6 now. I do think there's current information that

was available during the time of our public hearings, when we heard from the Ontario Federation of Agriculture. Now we're in the midst of an agreement that Mr Peters has signed under the agricultural policy framework. The CAIS program has been rolled out. In fact, part of the bonus of signing that program, when Steve Peters signed on to it and our minister, Helen Johns, didn't sign on, was that we didn't feel the transition funding was sufficient, and they hadn't resolved some of the other pressures in agriculture, one of which was nutrient management. Who's going to support that rollout of those expenses for agriculture?

I wonder if we could put the term in—and I put this to you, Chair. You're very familiar with agriculture. Shouldn't we be mentioning that the case program is the deal now?

The Chair: It's up to the member. It's up to the committee, in the end.

Mr O'Toole: Mr Crozier, you're from an agricultural riding. Would you see that? I know Mr Colle basically can spell “agriculture,” because he's Toronto-bound. You know more about transit than agriculture. I mean that respectfully.

Mr Colle: I have a back garden with tomatoes and zucchinis and things.

Mr O'Toole: But that's just for making tomato sauce. I understand that.

Mr Tim Peterson (Mississauga South): We thought only the Tories knew about horse manure.

Mr O'Toole: Let's get Mr Peterson to sit down.

The Chair: Order, please.

Mr O'Toole: He'll do his best, and we'll hope that that amounts to something. I think it would be important. You have mentioned nutrient management, but I think if we mentioned the CAIS program in there, I'd be happy, now that you've agreed to that program. So that's another small change, very innocuous. It's just to put it out there, because the hearings are this week on instructing agriculture how to apply before March 31 for a couple of new programs that Mr Peters has implemented. The rest are obviously statements of what we heard from public input.

Going on to page 9, under “Culture” it says, “Several presentations addressed the charitable sector, which calls to revise the requirement that groups applying for Trillium grants be incorporated.” I don't remember that. I don't remember the cultural one, that they be incorporated. It's complicated enough now to get a frigging bingo licence or to raffle tickets. That's absurd. We have to eliminate some of the red tape.

Mr Crozier: You should have changed that.

Mr O'Toole: Well, we did; we tried to. But I put it to the committee. I don't remember where I heard that. I'm not trying to be smart, Larry.

Mr Johnston: This was heard from the Thunder Bay Coalition Against Poverty. They asked that the requirement of the groups applying for Trillium grants to be incorporated—that that requirement be eliminated. That

was heard in Thunder Bay and that would have been February 5.

Mr Crozier: They don't want them incorporated. That's what they're saying. They agree with you, John.

Mr O'Toole: Yes, that's right, "to reconsider the policy." OK, it's "reconsider"; there you go. Sorry.

There's some good stuff on the cultural side because you're talking about it now. In fact it was Mr Miller, the new mayor of Toronto, who wants money from everybody except the people in Toronto, who asked yesterday, in fact—the film tax credits that we had initiated in our government. I hope, Mr Colle, that you listen to Mr Miller on that.

The sale of the LCBO: We did hear about that. That was one of the trial balloons that you floated out there, sort of like the photo-radar one.

Yes, we've heard all of the education things, for sure. There was a good article in the paper this morning on pupil transit, the \$40 million. I don't know if we should be putting in a reference to that. That \$40 million has been talked about for the last four years. We've actually put it in, not as an annual portion of the grant but just as a top-up every year. I don't see that number, \$40 million, but it is a known number.

Did the school bus operators appear before us?

Mr Johnston: We had more than one representation from the Ontario association for school bus operators, and there were different numbers floated—one reason why we tend not to put numbers in the draft report.

Mr O'Toole: I agree with the idea of ISA funding. It eliminates some of the assessments.

Prep time: The teachers are doing a good job in lobbying for more teachers—pardon me, more prep time. That's the same thing, really.

Energy: quite a good report. I'll be using that in the future as critic for energy. We wrote most of it anyway; the all-party committee did.

Interjection.

Mr O'Toole: Most of it. It was before you were here, Tim, before your time.

In my riding of Durham we followed very closely with the town hall process that the McGuinty government, the McGuinty-Peterson government—I'm going to start calling it that, sort of like Harris-Eves—and we used exactly the same format as Dalton has been using, and Greg Sorbara when he isn't in court. We received extremely good input with respect to making sure you don't spend more than you earn.

The Chair: We'll move now to the NDP. You have 20 minutes in total to comment on the draft report.

Mr Howard Hampton (Kenora-Rainy River): I will keep my comments on the draft report very brief. There are, however, a couple of areas that I want to highlight, because I think they are going to be very important as we move forward in this committee and as the government finally brings down a budget.

First of all, I want to go to the issue of children's services and child care, and to emphasize: "More direct funding for regulated child care was requested, as well as

redirection of monies from the federal government's early child development initiative to regulated child care. The province was urged to work with other provinces and the federal government to create a national child care program." I emphasize "regulated child care."

The new Ministry of Children's Services was "urged to develop a multi-year policy framework and action plan for transforming child care from a targeted, subsidy-based program to a system of universal, affordable access for every child." That was the overall emphasis. I think that is well placed in the report.

"Partnership with the Ministry of Education was recommended, with the goal of integrating early childhood education and care ... and kindergarten into a continuum of family supports. Immediate changes to the education funding formula to facilitate school boards offering space to not-for-profit child care programs was sought. Some groups suggested integrating the Early Years initiative with child care and primary education."

I think that's clearly what was heard—I reviewed both my notes and Mr Prue's notes—so I think that is well placed in the document. It's something that I hope the Minister of Finance actually pays some attention to.

Next to community and social services and the issue of, first of all, community living: While we did not hear from a number of associations for community living across the province, I think what was heard is reflected in the report; however, I want to focus on social assistance. "A broad chorus of groups called for increases in social assistance rates; many suggested returning to 1994 levels for the basic needs portion, with adjustments for subsequent inflation. The shelter allowance, it was argued, should reflect the real cost of housing: either the average provincial rental cost, or as calculated on a regional basis." Again, I think that's clearly what was heard and clearly needs to be reflected in the report.

0930

"Changes were urged in the maximum amount of allowable earned income, and in the tax-back rate, as well as in the treatment of student loans and child support payments."

"The government was repeatedly urged to eliminate the clawback of the national child benefit supplement from social assistance recipients." I think that also clearly reflects what was heard.

I want to just focus on sale of the LCBO. "Workers at the LCBO told the committee that the privatization of this provincial asset would have a long-term detrimental impact on Ontario's economy and quality of life." I think that also reflects what was heard.

I want to go over to page 10.

"Education, Elementary and Secondary: Elementary and secondary education was the focus of a broad cross-section of stakeholders whose main concern was levels of funding, but also addressed issues such as governance, technology, curriculum and testing." I would agree with that statement. I think funding was what this committee heard over and over again. I'm not surprised. The Rozanski commission said that elementary and secondary

education is being underfunded by at least \$2 billion a year. When you factor in annual inflation, the amount becomes significantly higher than that—likely \$3 billion a year.

“Benchmarks: Groups called upon the government to implement fully those recommendations contained in the Rozanski report that have not yet been addressed. A consistent theme was the need to bring benchmarks, whether for salaries and benefits, construction and maintenance costs, transportation expenses or utilities charges, in line with the actual costs faced by school boards.” What a rational statement. I think that’s clearly what we heard. “Education sector representatives, like others appearing before the committee, appealed for stable, or predictable, multi-year funding incorporating annual adjustments for inflation and other cost increases.” I think that was pretty clearly heard.

The pupil transportation issue just about everywhere is a common refrain. I think that in general reflects where we were at.

“The government was advised to launch a provincial conservation program aimed at business and the public to ensure reasonable electricity rates and a reliable power supply.” I think the call for a conservation strategy and an energy efficiency strategy was fairly consistent. “One suggested vehicle was a new central agency to be called the Office of Energy Efficiency, responsible for coordinating demand-side management and demand response activities.” Again, I think that reflects what was heard.

“Health: Health care represents the largest area of program spending in Ontario, and more presentations came to the committee from this sector than any other. Virtually all constituencies within the health care community brought recommendations, and two persistent themes accompanied requests for increased investment: (1) the desire for predictable, multi-year funding; and (2) the proposition that preventative investments made today might save the province money over the long-term.”

“Integration was frequently mentioned, as stakeholders recommended innovative local health care initiatives that would create a seamless continuum of care provided by a range of qualified health care providers. The government was urged to continue with primary care reform, and to restore public confidence in the health system by building democratic decision-making, improved transparency, accountability and public access to information.” Again, I think that reflects what we heard.

“Privatization: Health care presenters generally affirmed their support for a high-quality, inclusive, universally accessible and publicly funded health system; some called for thorough monitoring of violations of the Canada Health Act.” It was pretty clear. We heard P3 hospitals, whether you refer to a P3 hospital as a lease-purchase or as a mortgage, “consistently repudiated.” I think that clearly reflects where people are at. Ditto with the public health concerns.

I want to just turn for a minute to a couple of other issues that I think are very important.

Labour standards: We must have legislation addressing the length of the workweek and vacations. The changes to the minimum wage are acknowledged, but changes to the minimum wage so far have been modest at best. In fact, the minimum wage is now at the level that it probably should have been at in 1997. In other words, the lowest-paid workers are still seven years behind where they need to be.

On workers’ compensation, I think we heard pretty clearly that injured workers are often left carrying an unsustainable burden in terms of loss of income and also of not having the help, the counselling, the assistance they need.

I just want to look again at municipalities, and we heard this fairly consistently. “A major area of concern for municipalities is costs associated with local services realignment.” It was not revenue-neutral. Municipalities had more services downloaded on to them from both the federal government and the provincial government, with no new revenue, or virtually no new revenue. That has to be addressed.

“Affordable housing: A broad contingent of groups called for a dedicated housing ministry”—I note that now housing seems to be split between two ministries, municipal affairs and the so-called infrastructure ministry—“a provincial housing strategy, and concerted action to provide affordable housing, including continuing, extending or enhancing the federal-provincial affordable rental program. A number of funding strategies were discussed.”

“Northern affairs and mines: Northern Ontario delegates were unanimous in their support for the preservation and enhancement of the northern Ontario heritage fund.”

“Post-secondary education and training: Community college representatives were united in calling for an increase in operating funding over the next four years, from the current \$4,700 per student to \$6,300 per student.” I think that clearly recognizes what needs to happen. On student aid, “A number of groups recommended review of the student loan and financial aid system to ensure access for low-income students,” which I think is becoming one of the most serious problems in Ontario. The only people who now get to go to medical school or law school or many of the so-called professional schools are people who have very deep pockets, not people who have the skill, ability, commitment, knowledge and desire to do it. I can’t think of anything that so tells us there is something dreadfully wrong. Tuition: “The government was urged to follow through with its commitment to freeze both regulated and de-regulated programs in Ontario.”

Those are the issues that I wanted to emphasize, and I think they are fairly clearly noted in the report. I may have a few areas where I might take issue, but I don’t think those areas are important in terms of the overall statements.

The Chair: Thank you, Mr Hampton. You did mention in your opening about the word “regulated” on page

7. When we complete this rotation, we'll be dealing with motions. You might consider how you want that worded.

Mr Hampton: Yes, I might.

The Chair: Now I turn to the government for comment.

0940

Mr Colle: Again I want to congratulate the Legislative Assembly staff for all the work they have done in putting this together, considering the time frame and considering all of the presentations. I would thank especially Mr Larry Johnston and his research department, not only for putting together the draft report, but what I think all of us are going to find very valuable: all the research that you followed up on. We can use the resources over the next coming months and years. I found them most helpful. Again, it wasn't easy to do. I certainly appreciate the work that was done.

I just want to reference a couple of areas of research that we were given. I found your report on the tax cuts in other jurisdictions, where you traced back the impact of tax cuts as undertaken in the Ronald Reagan administration in the United States and then compared it to what happened when Clinton came to power without the tax-cut, supply-side economics, and how the economy improved, the employment rate improved dramatically and the deficit was eliminated—in fact, they had a massive surplus. Then when we go back to supply-side economics under Bush the younger, we've gone back into deficit, loss of jobs. Again, I think that's going to be very helpful for us as we try to guide our way through the financial decisions we're going to have to make as members of this Legislature.

I also thank research for getting that information that I think dogged me during the presentation, that, as Canadians, we sometimes don't appreciate the premium that employers have to pay in the United States for health coverage. It's interesting to note that for this year, the cost paid by employers per employee is going to be averaging about US\$7,000. That's the cost of getting health coverage in the United States, above and beyond your normal wages paid to your employee. As Canadians and Ontarians, we pay that through our taxes. I think most Canadians don't understand that in the United States, it costs an employer US\$7,000, which I assume is about C\$10,000. That is covered through our taxes. I think that figure really helps put things into perspective.

Again, all the research, everything from billing codes and e-health, per capita MRI data—anyway, I think is going to be very useful. I thank the research department for bringing that together in such a short period of time. I know the staff is also limited in its resources.

I would also like to thank all the participants in the presentations. I think most Ontarians want to be heard and want to try and help government make the right decisions. So many of them came out. I think the majority of presenters were everyday Ontarians. They weren't so-called professionals at lobbying or parts of huge associations. We had a lot of ordinary Ontarians in every municipality that we went to. I think what struck

me is that they were engaged and came forward with some excellent suggestions, recommendations, and also shared with us some of their experiences. That's what I remember most. I think maybe you feel the same way.

I was struck so vividly by that single mother in Timmins, who said she couldn't get by on the very minimal support that she gets, that she had to take the local bus to go get groceries. The problem was, I remember she said, she couldn't get the big, giant bag of potatoes or the big, giant bag of rice because they were too heavy for her to carry, yet she knew that she and her daughters—she had two daughters—would probably save a few precious dollars if they bought the bigger bag. But because she had no other transportation, lugging this across town was going to be most difficult for them. She was essentially crying out for some kind of recognition of the fact that single mothers, people with marginal incomes, need some support and help from this government. I certainly will not forget that single mother and her presentation and the reverend who was with her from the Timmins social help agency. The reverend was also very compelling.

Also in Timmins, we had another person I found very remarkable. It was the young doctor who was born and raised in Timmins and went off to the University of Ottawa to get his medical degree, but he came back to Timmins and is practising in the local hospital. I talked to him afterwards, and he said that he was getting four or five calls a week from other jurisdictions trying to entice him to leave Timmins, but he very emphatically said that Timmins is his home, he's not going anywhere: "The people of Timmins need me."

I also remember in Kitchener-Waterloo, there was some excellent deputations. I remember the gentleman who was a former street person who has turned his life around. In a very clear, straightforward way, he said, "Listen, I don't want to be on assistance. I want to get a job." He gave us some pretty good ideas of what had to be done.

We can't forget that young man in London, Ontario, who had a part-time job with Loblaws who had a speech impediment and had a great deal of difficulty speaking, but he was brave enough to present to this committee. That took a lot of guts and courage. I think he gave us a very clear indication of how difficult it is, that if you try to get some employment outside of ODSP, you're penalized, essentially, if you try to make over the \$160 limit. Therefore, when you're trying to help yourself, the rules that are in place today penalize you from getting a little bit more money. This young man was more than willing to work. He said, "If you let me work a bit more, I can help pay my rent. I won't be as dependent. I don't want to be dependent."

I remember the mayor in Thunder Bay and how articulate she was about the serious challenges they have in that city in terms of attracting employment, trying to open up the new medical school.

We've had just so many. We also had some downtime. The sort of thing that I thought was the worst thing of the

whole trip was actually that federal member who hijacked the meeting in Ottawa. I thought that was an awful display of queue-jumping, where we had all kinds of people who had put their names in, submitted their names to the committee, went through the process legally like everybody else, were put on to present, and then all of a sudden, the local federal member from Pembroke showed up and basically took over the meeting. I thought that was really an insult to the process, to the people who wait in line and do things properly.

Then I was very insulted, I think, by her threats during that presentation, but again, that was the one sore part of the whole thing. Luckily, she was in the minority, whereas 99% of the people were very legitimate, waited in line, went through the process like everybody else, were put on the record, and legitimately put forward some excellent suggestions, whether we agreed or disagreed with what they said. At least they did things in a fair way and were very sincere about their presentations. So I just want to say that all across this province, all the cities we went—

Mr Barrett: On a point of order, Mr Chair: Just for the record, as I recall, we entertained that deputation during our noon hour, and as I recall, we received unanimous consent, permission, to have the federal member present to our committee.

The Chair: Thank you. It's not a point of order.

Mr Colle: It's shocking that the Conservative members especially condone that type of approach. This is not the way this committee has worked. Again, except for that one incident, as I said, people were very, very fair to us, and I hope we were fair to them, as much as we could be, and accommodating.

This draft report is very objective. It's a good reflection of what this process has been all about; that is, listening to people, the deputations. The purpose of these consultations was to hear from people.

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I know at certain times there were attempts to, you might say, manipulate the process and the presentations whereby there would be all kinds of gymnastics, but generally speaking I think we achieved our purpose in listening to a lot of good Ontarians with sometimes immense expertise. Others were just plain, simple directions that I think are going to be very helpful. A number of these recommendations are already in discussion in the ministry. Some of them provoked excellent questions and dialogue. As I said, they are under active consideration as we speak because some of them make eminent sense and raise very good questions.

As you know, ultimately the Minister of Finance will write the budget. He is in a process of listening to people, and this committee is one part of that listening. He also has his round tables; he's had about 12 of them across the province. I've attended some of them and they are excellent in terms of input. At the round table I was at here in Toronto we had people from all walks of life, from the battered women's shelters to people from the housing sector, people from the banking sector, the

medical sector, the women's directorate; we've had excellent presentations to the minister on that front too.

As MPPs we also have had town halls. I did a town hall in conjunction with the member for Don Valley West and it was well attended, great participation.

So we are getting some very good ideas from Ontarians because we are in a real watershed situation here.

I just want to mention that there have been suggestions of denying the fact that we have a deficit of \$5.6 billion and so forth, again refusing to accept the presentation of the Ministry of Finance officials and also the former Provincial Auditor, Mr Peters, that we have a significant deficit here of \$5.6 billion. We all wish we didn't have it. The fact is, we do.

We can't at this point make changes to this report based on what you think is more politically advantageous and how you see the facts. The facts have been presented by the officials in the Ministry of Finance. I know that members of the Conservative Party are still in denial that there is a deficit, but I think the vast majority of Ontarians understand that we've got a huge fiscal challenge. We've been left not only a \$5.6-billion deficit but we also have a serious, ongoing structural problem in terms of our previous government's commitment to programs that are not sustainable, in terms of the social deficit that has to be dealt with. So we've got a real job in terms of dealing with our demand and also our revenue and our economic reality.

I think, if the opposition has ideas of changing the draft report, there is the opportunity for them to do that through their motions. Also, there is time for a dissenting report, and that's when they can try deny that there's a deficit. I'm sure they're going to do that in their dissenting report.

Overall, I just want to say that the draft report we have before us is objective, fair and a good overview of what the people said to us in this committee, and that's what's most important, that it does reflect what the people said and what they wanted to put on the record.

The Chair: Mr Crozier, and there are about five minutes left.

Mr Crozier: Just very briefly, I want to give my support to the comments of Mr Colle and to the research committee. In my view, this report is merely intended to reflect the comments by those who came before us, not necessarily our feeling about any particular issue. So I too would recommend that the report be adopted as it's been drafted and that if there are any serious disagreements with the report, there is the opportunity to table a dissenting report.

The Chair: We have motions before us that will be voted on at the end of this five minutes.

Ms Judy Marsales (Hamilton West): Mr Chairman, I'll just be brief, but I concur wholeheartedly with my two colleagues here. As a new member of this committee, I have to tell you I have been so impressed by the process of hearing both from organizations and individuals who have a really sincere interest in this province and in its success and development. The general public

these days are so cynical about government and process, but the transparency of this particular committee hearing is very refreshing to me as a newcomer. The stories, the ideas, the personal experiences of people in Ontario, the kindness of the regions who hosted us were absolutely wonderful. While this report as drafted certainly does reflect what we heard and saw, I don't think the emotion can be reflected in mere words. I think some of it was heart-wrenching. Notwithstanding that, I most heartily want to support a couple of things within the report, however, dealing with municipalities, because municipalities such as an old community like mine in Hamilton are suffering under the huge weight of the downloading costs of social service. Hamilton has one of the highest per capita social service costs and we're drowning in debt right now.

The second issue is the public infrastructure, on page 21. I want to lend support to that as well particularly, again, in the older communities. I'll just share a personal experience. One day, coming around the corner from my house, to be met by this wall of water spewing up from the street—I thought perhaps the city had installed a new fountain, but it was really the bursting of a huge water main. I think it speaks to the need. We heard it from many, many different municipalities. Albeit we weren't in Hamilton, I think we really do need to take a look at this and I support that.

The Chair: Thank you. Further comment? Seeing none, having considered the draft report, we'll now be dealing with the recommendations and motions of that report. But research wanted an opportunity to make a comment.

Mr Johnston: Just to share some information about the three points that Mr O'Toole raised:

First of all, Mr Peters was not referred to in the draft report because he didn't appear before the committee. Also, we've checked Hansard, and the Minister of Finance speaks of the 5.6 number as being consistent with Mr Peters's number, so we had drawn the conclusion that the ministry had done their own calculation of the deficit figure—just to explain that point.

My colleague and I were also looking at your second point about the tax revenue not being a total statement of the revenues, and we were wondering whether simply rearranging some of the material on that page might satisfy your concern in terms of highlighting the total revenue picture, as opposed to merely the increase in tax revenue.

Finally, with respect to the CAIS program, I checked with Heidi, who knows much more about agricultural issues than I. Neither of us has a recollection that this program was mentioned before the committee, so we weren't sure exactly what the agricultural stakeholders felt about the program and wouldn't know what to put there. I just leave those points of information.

Mr John Wilkinson (Perth-Middlesex): Just to follow up on the comment from research: I think, if you check the record and the presentation from the OFA, Mr Bonnett was here. I think you'll find just a passing refer-

ence noting that the provincial government had signed the agricultural policy framework and that that was widely considered as being a good move.

Mr Johnston: I stand corrected.

The Chair: And now we would move to the motions.

Mr O'Toole: Just a point: I agree with research staff with respect to just rewording the revenue stuff. I think it's all there. As everyone has commented, with the exception of Mr Colle, who made some really kind of challenging statements about some of the presenters, which was bad, really, I think the report is an objective and open account of what we heard. When we start dealing with recommendations, that's where the discussion begins, I guess. I'd be happy with that, and clearly being on the record that the Minister of Finance, being a political person, actually a very political person, is trying to make the \$5.6-billion number real. What I'm trying to do is make sure that—the careful wording of Erik Peters is extremely important. As an accountant, each word is selected as a decimal point to separate whole numbers from partial numbers. When he said that “at this time” the projected could be as high as—“at this time” is a qualifier. “It could be at this time projected”—these are accountant fluff words.

My point is that I am not of the opinion—

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The Chair: What research would appreciate is the wording that you are seeking in the revision of these tax revenues. It's on this \$5.6 billion?

Mr O'Toole: It's going to stick, there's no question.

The Chair: We'll allow research to ask you the question.

Mr O'Toole: Sure.

Mr Johnston: Just to clarify, the proposed rewording would not write anything new into the report. What Heidi and I were going to suggest was that the second sentence of the second paragraph under “Fiscal Situation,” which begins, “The result is a structural deficit,” be moved to the end of the fourth paragraph, and that we combine what is now the first sentence of the second paragraph with the third paragraph, so that after the statement that reads, “while tax revenues increased by half a billion dollars,” the next statement would be, “Currently, total revenue is projected at \$69.5 billion, ... up \$0.92 billion.” That would clearly indicate that tax revenue was not the entire revenue picture. Then the conclusion about the structural deficit would follow the statement about total expenses in 2003-04.

Mr O'Toole: If you look at public accounts, Mr Johnston, you're going to see that its statement is \$2.2 billion, really, more than the forecast revenue. It's all in the way they state what numbers appeared when, specifically in transfer payments. We could spend a lot of time arguing about that number, and I suppose we will for some time, but because the general public doesn't engage in this kind of microeconomic stuff, they may not get too engaged. You're branding the \$5.6 billion, and I'm saying to you that any intelligent person, including Mr Erik Peters, knows that that number was a statement

of finance expenditure to revenue at this time under these conditions. There are many people who believe you'll likely have a deficit. I think probably you'll have it as high as possible, but it probably could be \$3 billion.

So I'm just saying I don't support it, and I'm speaking into this red light here so that I can pull it out in the future and say I never accepted that figure. There are many others in the finance community who don't as well. You can state it the way you want, but I think your suggestion in terms of the revenue is good, very acceptable.

Mr Colle: I don't have any problem with the suggestion made by Mr Johnston, but I would certainly again go on the record that we're not going to accept the denial of the fact that there is the \$5.6-billion deficit, no matter how many times the opposition says it. I wish that fantasy were true. Sadly, they left us in a mess.

Mr O'Toole: Isn't that what it's all about? You said there was a \$2-billion deficit, even in your own booklet. However, research would not be interested in the politics of this.

The Chair: Mr O'Toole, do you agree with the researcher's suggestion to redraft that, and could we use that as a motion?

Mr O'Toole: Yes, sure. Absolutely.

The Chair: All in favour of the motion? Carried.

Now Mr O'Toole, research gave you their undertaking about the CAIS program.

Mr O'Toole: I'm just making a statement there.

The Chair: You have it on the record here, but their recollection was that it wasn't mentioned. I think it may have been mentioned, as pointed out by Mr Wilkinson, in a different way, but it wasn't called "CAIS." It's a relatively new term.

Mr Johnston: We could, with respect, add "Farm support programs such as CAIS continue to be important to agriculture."

Mr Colle: Mr O'Toole agreed. He was trying to make a statement there, and I don't think we want to get into the technicalities of that program because we didn't really deal with it in that detail.

Mr O'Toole: Yes, we were just putting it on the record. I think Mr Crozier, in his response to Mr Wilkinson, said that most of it's inside baseball with agriculture. Even within the OFA, they don't have full agreement. Certain commodity groups are happy with the program and others aren't.

The Chair: Now we'll move to Mr Hampton. You had suggested in your presentation that the word "regulated" on page 7—do you have a motion in that regard?

Mr Hampton: Yes, I do have a motion with respect to regulated child care. I'm not sure this is the point at which we want to deal with it, though.

The Chair: It would be.

Mr Hampton: Oh, you want to deal with it now?

The Chair: Oh, they have one within—

Interjection.

The Chair: I understand that you have two.

Mr Crozier: Just a point of order, Mr Chair, and I sincerely want to know: I thought that motions had to be filed by a certain date, just so the clerk, for clarification, could say, then, "What motions can we put today?"

The Chair: This is changing the wording of the draft.

Mr Crozier: Just wording? OK. Yes, that's fine.

The Chair: Motions are somewhat more substantial. Go ahead, Mr Hampton.

Mr Hampton: I'd like to add just one word to the report. As it reads now, "The new Ministry of Children's Services was welcomed, and urged to develop a multi-year"—

Mr Colle: Where is that?

Mr Hampton: At the top of page 7, "Child care." "The new Ministry of Children's Services was welcomed, and urged to develop a multi-year policy framework and action plan for transforming child care from a targeted, subsidy-based program to a system of universal, affordable access for every child." I think what we heard—when I heard this, and I read some of our notes—was also the word "non-profit": a system of "universal, affordable, non-profit" child care.

Mr Crozier: On a point of order, Mr Chair: Could we have Hansard checked?

Mr Colle: It's actually in the second paragraph where there was a reference to that, especially in schools: "... to facilitate school boards offering space to not-for-profit child care programs were sought." It was mentioned in the general discussions.

Mr Hampton: In terms of the child care presenters, I'm pretty sure that was a consistent point that they made.

Mr Colle: I don't have a problem with that.

Mr Johnston: I can't find the specific recommendation, but I do know that the individuals who made that recommendation would be in support of non-profit. I think it's just assumed that when they say "universal, affordable" they expect that will be non-profit. But it could be made explicit.

Mr Hampton: I move that we make it explicit.

The Chair: All in favour of including "non-profit"? Opposed? None. Carried.

Mr Crozier: I don't want to belabour this, and I want us to move along, but I would like us to check to see if, once the deadline for motions has passed, you can actually pass motions at the committee. My problem is I don't know where we end this.

The Chair: We are entertaining motions to the draft report, as stated in the subcommittee report passed here this morning by the committee. We will now be moving to motions.

Mr Crozier: In other words, you're telling me to read that subcommittee report again. OK.

The Chair: That's right.

Mr Crozier: I understand.

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Mr O'Toole: On a point of clarification: At this point, what we've dealt with is the staff's diary of presentations, basically. Some of the references really end up being sort of a Hansard reference, if anybody wants to

know more about the debate, about that statement, but I do think it's important. There were two or three items that were dealt with in the context of the hearings which resulted in extensive discussion and indeed motions, and those motions were passed within the context of the meeting. I believe they should form part of the report, not a subsequent appendix. To adopt this report, I think there's every willingness to look at this as a—

The Chair: Mr O'Toole, we won't be adopting this report until we get through all these resolutions of some 90 or so.

Mr Colle: So just this part as it is right now. This is the first—

The Chair: Thank you very much, members of the committee. We will now move to the recommendations and motions. As per instructions from the subcommittee passed here this morning by the full committee, the motions and recommendations have been grouped. I think another word that came to mind was "clustered." So in your package, when you look at these, you will note that—we'll look at the first one, for example. It says "motion 14," but it is on page 1. We will be doing them in order of page—page 1, 2, 3—not necessarily in order of motion, because we were asked to put them in groupings. Since these came to us over many days, they are numbered as motions, but for our purposes of groupings, we'll be going from page 1 to the very end.

Also in your package, you will find motions that there have been requests to withdraw. As well, I think at the very back of the package, you will find motions that were carried as the committee travelled.

Clerk of the Committee (Mr Katch Koch): These are the sections separated by your coloured paper.

Mr O'Toole: Just a clarification, because this is kind of—we have this package here, and I'll refer to it as package one. It's the pre-budget hearings summary of recommendations. Are we going to be dealing with this?

The Chair: We will be dealing with them in the manner I just—they have been grouped. You should have this.

Mr O'Toole: Yes, they have been grouped. I flipped through them, and they're grouped by finance, tax. So we're actually going to be dealing with those motions here, which were the committee members' motions.

The Chair: That's right.

Mr O'Toole: So I understand, these recommendations that I've referred to as bundle number one would be attached as an appendix. Where do they show up? Nowhere, right? I know it's a lot of paper. They are bundled. How are they referred to? Somebody may want to reprint this. It has to be distributed. There are hundreds and hundreds of pages here. It's a lot of paper, of course—double-sided, I might say. That package is—what?—about 70 pages. It's a very considerable amount of work. This is the synthesis of the recommendations by group, by kind of organization.

Mr Johnston: The summary that you're referring to, Mr O'Toole, is prepared as a reference document for the committee members as they're making their way through

the draft report and through their own recommendations that they're bringing to the finance minister. It is not a public document. It is not included as part of the report that is released to the finance minister.

The nature of the draft report, as you've seen, is a very succinct document that does not identify witnesses. The purpose of the summary that you're referring to is so that members can clarify in their own mind which presenters made which recommendations. It does represent somewhat an editing and distillation and consolidation of comments made by the various groups that are indicated there. So it is not shared as a public document.

Mr O'Toole: I'm going to ask other members, specifically Mr Hampton—if you look at this, for the record, it's a profound bundle of work. Honest to God, you couldn't carry it in a huge box. We all know that. It seems all that public input gets distilled down into some observations. Let's say that it's these very recommendations, whether it's on transportation or daycare. Then there's an acronym here so that we can refer to what group said it.

Over the years, believe it or not, I have been simplistic enough to actually keep some of the stuff, because I use it. If I'm looking for an issue on regulated daycare or transportation, some of those inputs are the stakeholders' positions in preparation for a budget, what they believed was an important investment. How the hell do you get your hands on it if you're not an organized person? You'd have to have someone like Mr Johnston or somebody working for you to find it.

My point is this: I think this is a valuable reference because I've looked through it. What it does is distill down the actual recommendations of a 20-page report and they've said, "We recommend," and it says, "Invest in the capital needed for provincial highways to direct transfers of a minimum of \$25 million annually for \$5,000 per two-lane," whatever. So there are very specific amounts.

Is there any value—and I'm asking others—in attaching this to the report, if only by reference?

The Chair: I would mention that the draft report has been deemed in the main to have captured most of those presentations. The motions put forward are based on what people heard or believed they heard at the presentations. Each and every member has a copy of the 204 presentations that attended—

Mr O'Toole: Please, don't even talk about it.

The Chair: —and some 176 presentations that were mailed. We all have copies of the submissions, both in person and through the mail or other means. The draft report is to reflect what we heard. So I would suggest that you may want to expand your filing system.

Mr O'Toole: Here's the deal. I appreciate that. I would put to you, without trying to characterize myself as a bit of a nitpicker, that I do keep most of them, if not all. There is a profound amount of work in terms of all that data.

Here's my point: It is really, "What did that organization say? Here it is." You could also then say, "Well,

if I've got this, I know Mr Johnston would have it. Why should I bother keeping it?" There are 103 members walking around with all this stuff that to some extent isn't used. But here's my real point, Mr Chair, and I hope you'll indulge me: During the hearings, for my third or fourth time around through this process, I thought, "Gee, a good time to actually move it is when the community care agency is at the table." Why not say we've heard it? I have to go to our own staff people to draft a resolution. We brought those resolutions forward. I'm not trying to make this a confrontation with Mr Colle or anyone else. There was no time in the committee hearings to discuss it because other presenters were being delayed. Yet, 250 presentations later, I can't even remember who appeared before the committee, and we've lost it. In the process, we've lost the very essence of some very important stakeholder input. The only summary I've seen is the one that's presented by legislative research today, which is a list, around 70 pages, double-sided, of recommendations made by organizations. That to me should be referred to in the report, "A list of recommendations by organizations can be found at www.LarryJohnston.com."

The Chair: Further comment?

Mr O'Toole: Do you understand what I'm saying? Chair, I'm appealing to Mr Colle as an experienced person here; Mr Crozier, I would say; Mr Hampton. A lot of work goes into this, and I'll tell you, from my experience, most members, respectfully, will never see it again.

The Chair: Further comment?

Mr O'Toole: Do you have any problem, Mike? It's just adding it as a reference in the report.

The Chair: Research would like to make a comment.

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Mr Johnston: I would just say that when the subcommittee met at the outset of the process and the research for committee was discussed, the members of the subcommittee were informed that there would be a summary and that there would be a draft report, and they were informed that the summary was not a public document. That's the assumption that has been guiding the preparation.

I would say that if research had known that the summary was to be made a public document, it might be written in a slightly different way. There are summarizations. If three groups state that they are in favour of an increase to the minimum wage, what you see in the summary is, "Groups called for an increase in the minimum wage." That becomes a public document, and each of those three groups goes and looks to see, "Did my recommendation get in there?" and if it's not exactly the wording that they recall having presented to the committee, then they say, "Well, you didn't present my position word for word." So if I know this is a public document, it's going to be a much longer document—it's probably going to be at least three times longer—but it's going to record everything exactly verbatim. I just draw that to the committee's attention.

Mr O'Toole: One more point. I asked officially, on the transcript, repeatedly, for a running tally of the total

expenditure requests. In the past, that has occurred. I'm not trying to be a hard-head here. It's my sense that the 240-plus presentations, plus the 70 pages of synthesized recommendations from organizations, represent about \$7 billion of additional expenditures. I guess my simple question is, where's the list? Where are the dollars? I want to know the dollars. I've got all these thousands of words; I haven't got one cent written down on paper. This is a finance process, not a frigging philosophical argument. It's a finance class.

The Chair: Further comment?

Mr Colle: Mr Chairman, here we go again trying to change the rules. We all agreed to the process. It's the process that has been followed by previous—they never did this. They basically now are putting more motions on the floor. This is out of order. All this information is in Hansard. Mr Johnston made it very clear that he followed the rules as directed to him. To now all of a sudden start asking for more process changes at this time, when we have very clearly before us the motions to deal with—let's get on with dealing with the motions. Let's not keep trying to change the rules retroactively here. Let's move on.

Mr O'Toole: Can I have a response from staff on this? Because I did ask for that.

Mr Johnston: Yes, Mr O'Toole, you did. The answer is simply that research ran out of time. I would just draw your attention to the fact that last year at pre-budget we heard from 111 witnesses in person and had 32 written presentations. This year we heard from over 200 in person and 176 written. Given the time it took to prepare the summary and the draft report and essentially 30 research questions—last year I think we had four research questions—the resources simply were not there. The intent was to prepare that list for the committee, but there simply were not enough hours in the days between the finish of the hearings and today to get that done.

Interjection.

The Chair: Order, please. Order.

Mr O'Toole: Clearly, I respect—

The Chair: Mr O'Toole, I have the floor at the moment.

We had in place a subcommittee agreement—a committee agreement, I should say—on how we would proceed. We have much work in front of us. It has been agreed over many weeks how we would proceed. I think the answers from research are adequate, and I think we'll proceed, in the interests of time, with moving to the motions that are before us in the groupings that I described to you.

Mr Colle: On a point of order, Mr Chairman: Speaking about time, is it possible to get a clock in this room? Is it against the protocol, or can't we afford a clock?

The Chair: We'll see what we can do about a clock. But I remind members that there is one clock and it's in front of me. There is but one clock.

OK, we shall move on. First of all you will see one item under the heading of "Procedure," motion 14. There was no particular grouping for this one to have it with.

Mr Flaherty moved, on February 4, 2004, “that the committee discuss about how we may extend the reach of our consultations into some of these more remote areas in the future;

“That, when tasked with deliberating legislation in the coming months, the committee make a better effort to reach out and possibly visit communities such as Hearst, Pickle Lake, Clinton, Winchester, Owen Sound, Sault Ste Marie, including smaller communities in southern Ontario and perhaps even some of the larger aboriginal communities.”

Any comment?

Mr O’Toole: I just agree. I think, in fairness, this isn’t politics at all. I just think the exercise, as Ms Marsales said, is extremely important, and we were warmly received in areas that are less frequented. I’d support this. I don’t see this as a problem for any government. I’d be interested in others’ views.

The Chair: Mr Colle.

Mr Colle: Again, this is another one of what I will call the Damascus motions. Here’s a government that some years didn’t even have any hearings on the budget. As Mr Johnston said, we’ve had unprecedented interaction from people right across Ontario, and the former Minister of Finance, who was basically against wider hearings, who never went to any of these places, is now directing us that we should go.

As you know, this committee’s attempt to go to as many places as possible this year is I think a sign of more of this to come. Really, if feasible, I would love to see these wonderful places in Ontario, especially Pickle Lake, which I’ve heard a lot about. I have no problem with this, but just keep in mind that this is exactly the opposite of what the former Minister of Finance used to do. Now he has seen the light and wants us in government to do what he didn’t do.

Ms Marsales: I would be happy to support it, provided we have Hamilton at some point.

The Chair: Comment? Hearing none, all in favour? Mr Hampton.

Mr Hampton: Just to respond to Mr Colle, I’m sure the residents of Pickle Lake would be happy to host the committee at some point.

Mr O’Toole: On a point of order, Mr Chair: I want to put on the record that I was the parliamentary assistant to the Minister of Finance for two years, serving the people of Ontario. Every single Minister of Finance has done exactly the same thing, including the town hall meetings. I want Mr Colle to correct the record, please.

The Chair: That’s not a point of order.

All in favour? Carried.

Now we move to group 1. You will notice that there are a number of motions within group 1. We will be doing motions 28, 32, or, as the clerk has advised me, pages 2 to 11, inclusive. As agreed, each party would have 20 minutes for this total group of motions. We’ll begin with the official opposition.

1030

Mr Barrett: Thank you, Chair. I do recognize that you are the only person in the room with a clock.

Within this cluster of motions, there are three here that make reference to balancing the budget: motion 28 on page 2, motion 32 on page 3 and motion 27 on page 8. As we know in this business, balancing the books is not easy. It’s never easy. It requires this government to make some difficult decisions, and quite frankly that comes with the job; that comes with the responsibility of being government. I know the Premier has indicated he didn’t sign up for this job or didn’t read the small print, but it’s very important, apart from what he has been saying, that members of this committee and the government accept responsibility and get to work.

People in the province of Ontario, and certainly those people who are concerned about balancing the books and the spectre of a deficit in the coming year, expect something more than excuses and some of the political games and cynicism, if you will, a throwback to old-style politics when deficits did threaten to bankrupt our province not that many years ago. So it is time to end the rhetoric and for this government to roll up their sleeves and get to work on balancing the budget for this coming March 31. Five months have now passed since the Liberals formed the government and they have yet to make any indication—they’ve been unable to make any indication of shaving a penny off the potential deficit, the notional deficit, referred to as the bogus deficit, the phony deficit in some quarters.

Erik Peters’s name was mentioned this morning. Following the release of Erik Peters’s review on October 29, there was a promise of “immediate action” on the part of this government. Just as a bit of background, at the request of Dalton McGuinty, Erik Peters was hired to review the—

Mr Crozier: Premier McGuinty.

Mr Barrett: At the request of Premier McGuinty, former Provincial Auditor Erik Peters was hired as a consultant by this government to review the 2003-04 Ontario fiscal picture. His review was conducted as of October 24, 2003. He concluded at that time—and this date is important, last October 24—that there was a potential deficit of \$5.6 billion if, and I want to highlight this word “if,” and only if, the current Liberal government elected to sit on their hands and do nothing for what we see now as the past five months.

Erik Peters’s deficit predictions, as I indicated, were made October 24 without the benefit, without the information contained in Ontario’s public accounts for the fiscal year 2002-03. Public accounts are the financial statements itemizing the government’s annual spending and revenue numbers.

Just on a point of order, Mr Chair: During this 20 minutes, do we also make our motions, or does that come after the rotation?

The Chair: You will need to move these. Some were simply filed; others in your package were moved prior.

Mr Barrett: The release of the 2002-03 public accounts—

Mr O’Toole: Could you give us notice when there’s about seven minutes left?

Mr Barrett: We'd hate to run out of time and not make the motion.

The Chair: Or you could do it in reverse. You can move the motions now so you'll have something to speak to. You can move the motions now and then continue.

Mr O'Toole: We're not speaking to a motion.

The Chair: Do you want to move the motions first?

Mr Barrett: If that's the protocol.

The Chair: It would be better, so that you have enough time to move them.

Mr Barrett: Make your motion.

Mr O'Toole: Yes. Mr Chair, through you, I'm going to move a number of motions, some of which may have been moved during the public hearings and some of which were just tabled. OK?

The very first one is, that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to reduce auto insurance premiums by 20% and introduce the necessary reforms to the auto insurance sector as part of the 2004-05 budget.

Pardon me, that's actually not in that group.

The Chair: No, we need pages 2, 3—

Mr O'Toole: Just strike that from the record.

This is page 2: that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "not add to the provincial debt" and that the 2004-05 Ontario budget be balanced.

Number two: I move that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "pay down \$5 billion in debt over the next five years," and include a debt repayment schedule as part of the 2004-05 budget.

Number three: that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "tell taxpayers what specific improvements we expect from every new investment," and provide a value-for-money analysis for any program spending increases or new program investments in the 2004-05 budget.

More money must equal more service.

Page 5: that the standing committee on finance and economic affairs instruct the committee to reflect its will that specific funding targets—that's a Liberal motion. I'm skipping that one. Pardon me. I would have moved that, actually, but we'll leave that to Mr Colle.

Next one: that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise that "ineffective programs will be cancelled," and divulge to the people of Ontario a complete list of government programs that may be cancelled in the 2004-05 budget.

Skip the next one.

We're on page 8 now: that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "live by the balance budget law," the Taxpayer Protection Act,

and hold a province-wide referendum to attain taxpayer approval before any increases are made to effective tax rates in the province of Ontario—in compliance with a Liberal election promise.

Skip the next page.

On page 10: that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government maintain the \$400,000 employer health tax exemption for small business and reaffirm this exemption in the 2004-05 provincial budget—to assist small business.

Skip number 11.

Number 12:

The Chair: No, that's in another—

Mr O'Toole: Oh, yes, it's pages 2 to 11.

Now Mr Barrett wants to continue his speech.

Mr Barrett: Just for people to follow along, I'm referring mainly to motions number 27, 28 and 32.

There was information that we felt was important to present to the committee, information that was made available after the Erik Peters report, information current as of November 29. This is from public accounts. Again, the upshot, and just to summarize the public accounts figures, coupled with the recent federal spending announcements accruing to the province of Ontario that are referred to in our draft report here, provincial tax increases, legislation that was passed before Christmas, resulted from public accounts in a revised projected deficit of \$1.8 billion this year.

In opposition, Mr McGuinty said he had a plan to deal with a \$2-billion deficit. Clearly, people in Ontario feel that it can be done. They do want a balanced budget. I feel that members of this committee can see numbers where they can see their way to balance the books by March 31 for the coming fiscal year.

I made reference to federal revenue, and it's referred to in our report, that should be and can be applied to lower the deficit projections significantly. It's interesting. I think it's regrettable that the McGuinty government has decided that it will not record any of this federal commitment in the current fiscal year.

Furthermore the present government, in my view, is inflicting long-term pain, in a sense, for short-term gain. That's reflected not only in the burden that our children and grandchildren will bear with the deficit spending but also with what people in Ontario will bear with respect to higher taxes.

1040

There was a promise made and it is being kept by this government to increase tobacco taxes, and certainly people in my riding recognize that. But again, the whole issue of tax benefits lost: I think of retired people, senior homeowners and apartment renters who have lost that legislation that gave them a property tax reduction. Earlier this week, we know, coming from the Premier and the education minister there was a call for MPPs to sit in the classroom for a period of time. I attended an independent school earlier this week and, very clearly, homeowners and parents who send their children to

independent schools are taking a very significant hit from this present government's taxation policy.

Mr Crozier: That battle was fought in October.

Mr Barrett: In fact, it was made retroactive. I think that's certainly punitive on these people. It goes right back to January of last year. Regrettably, this policy will probably continue until the opposition returns to government in the next few years unless there is any change in direction from this present government. I would ask members of this government to keep an open mind with respect to that issue, because many of these families cannot afford that kind of tax direction.

What's probably very important to consider is, again, information that was summarized and pulled together subsequent to the Erik Peters projections. At the Fraser Institute, for example, Mark Mullins has summarized it on a family basis, on an individual basis. In crunching his numbers he took a look at all of the trial balloons that have been floated recently. He examined them all and priced their impact on the deficit. The result, with all of the proposed deficit-reduction figures and new revenue—and if you refer to the draft report, we do know that current total revenue is projected at \$6.95 billion for 2003-04. That's up close to a billion dollars. We also have a pretty good feel that spending will rise with this coming budget. What the Fraser Institute indicates is that people will pay an additional—this is their estimate—\$200 each in new provincial taxes and user fees in the coming fiscal year that we are deliberating today. The Fraser Institute indicates that people will be paying an additional \$200 per person on top of that next year. This amounts to an extra \$550-plus per family this year, with more than \$550 per family added on in 2005.

Mark Mullins describes this as "pickpocket economics." It's a tax-and-spend approach that can only diminish Ontario's future prosperity. I think it's very important for us to realize that deliberations and any decisions and advice coming out of this committee have relevance, not only for March 31, but for a number of years hence. That Fraser Institute assessment took into consideration taxes and user fees, as I mentioned. It also takes into consideration the federal transfer payments that are made reference to in the draft report before us here. Also, he has taken into consideration other trial balloons, as he described them: asset sales, new spending, any projected impact from labour settlements, spending cuts that we may or may not see from this government, a means testing of existing programs—all policies that have been publicly proposed by cabinet ministers and government insiders.

As we travelled this winter—and there has been discussion of the first motion that was before us with respect to communities that we visited and communities that we should visit. I recall the presentation in London by the London labour congress. They raised an issue. They essentially questioned the purpose of these consultations. We know there's a parallel consultation process going on as well in the province of Ontario. I just wish to quote the London labour congress: "The skeptics among us dismiss

this exercise as nothing more than an opportunity for the government to use the fact that they have consulted us as justification...."

I'm not in the habit of quoting organized labour and labour congresses. We have a number of good organizations in my riding, however. But I believe in consultation. We've certainly had our fair share of presentations and briefs submitted, but I do propose to the committee that consultations are not solely the answer and certainly no substitution for lack of action with respect to Ontario's fiscal concerns.

Even Premier McGuinty himself is quoted as saying, "Listening is not leadership." People in the province of Ontario are looking for leadership and the time for significant action is now. To me, that's one criterion for leadership. Yet, again, we are looking for leadership beyond increasing government spending or increasing taxes. Very clearly, with respect to opposition, it's very important to take into consideration the merit of continuing to reduce government spending where warranted, and certainly to reduce taxes to spur the economy and to create jobs. We're facing a series of tax hikes that are going to put a dent in our pocketbook. I see no indication from the legislated and proposed tax hikes from this government where they're going to have any impact on the projected deficit.

Corporate taxation: I don't think we had a specific recommendation on that. Legislation was passed before Christmas to use corporate taxation as a primary means of yet again raising extra revenue. I again put forward the mantra that at this point in time we're not in a recession, we do not have a revenue problem. We saw legislation before Christmas that returned the province's corporate tax rate to 14% from 12.5%. This now establishes Ontario, regrettably, as a higher tax jurisdiction than Quebec, British Columbia, New Brunswick and Alberta. Higher taxes will eliminate much of Ontario's competitive advantage. This will drive business investment and jobs into neighbouring jurisdictions which are more competitive, and we will be addressing this concern in our dissenting report. This is of real concern for all of us, certainly the auto sector. I have challenges in my own riding with not only the steel industry but also our Nanticoke power generation.

1050

Another thing that I hear in attending meetings of the local chapter of the Canadian Manufacturers' Association, local presentations by the Canadian Federation of Independent Business, which also presented to this committee—this government, all of us on this committee, recognize the value of small business and medium-sized businesses. These are the engine that keeps our economy humming. We know that small and medium-sized businesses create over 50% of the private sector jobs in the province of Ontario. As anyone on this committee would know, during the reign of the past government, well over one million net new jobs were created during that eight-and-a-half-year tenure.

The Chair: Your time has expired. We'll move to the NDP and Mr Hampton. There are three motions, I would

suggest, Mr Hampton, that were filed previously. If you would read them into the record, that would be beneficial. Then you have whatever time is left within 20 minutes for comment.

Mr Hampton: Thank you, Chair. There are some motions that were filed by New Democrats. I want to move those motions now.

The first is motion 79. I move:

Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its 2004-05 budget, not privatize important public assets such as the LCBO, Hydro or TVO, to deal with a short-term deficit.

This motion was filed by Mr Prue on February 24. I move its adoption today.

Next, NDP notice of motion 81. I move:

Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government introduce, in its 2004-05 budget, a \$2.5-billion “fair share” revenue package consisting of the following measures:

At least \$1.5 billion in taxes from imposing higher tax rates on individual income over \$100,000;

At least \$500 million from returning corporate tax rates (excluding small business) to the 1999 rate;

At least \$500 million from closing loopholes in the employer health tax benefiting large corporations.

Well before the 2003 election campaign, the Liberals were aware that Ontario was running a significant deficit, and yet they signed the Canadian Taxpayers Federation pledge to neither raise taxes nor run a deficit. In order to restore public services as promised, the government must deal with Ontario’s revenue deficit in a way that respects the principle of tax fairness and the ability to pay. High-income earners and large corporations received a disproportionate share of the tax breaks during the Harris-Eves reign, and now it’s time for them to pay their fair share.

This was also filed by Mr Prue on February 24. As I say, I move its adoption today.

Finally, NDP notice of motion 77. I move:

Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government end the practice of deductibility of labour and environmental fines from taxable provincial corporate income in its 2004-05 budget. Currently, corporations are allowed to count fines related to labour and environmental law violations as an expense, which results in a reduction in their taxable income.

That was filed by Mr Prue on February 24, 2004. I move its adoption today.

I now want to speak to those motions. First of all, the motion “Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its 2004-05 budget, not privatize important public assets such as the LCBO, Hydro or TVO, to deal with a short-term deficit.” I want members of the committee to note that the former

government floated the idea of privatizing the LCBO. At that time, someone named Dalton McGuinty called Mike Harris “an extremist driven by ideology” when he floated the idea of privatizing the LCBO. Now I note, in the government’s so-called budget town hall workbook, that the government—and I gather that’s Mr McGuinty—says, “The government owns a number of businesses that could be leased or sold in order to free up money.... An example of a business that the government could sell or modify is the LCBO.” I gather Mr McGuinty has now become an extremist driven by ideology, since that is how he described that kind of proposal before.

Anyone who looks at this proposal would note that the Liquor Control Board of Ontario brings to the government and brings to public revenue in the neighbourhood of \$1 billion every year. Anything which would have the effect of turning that revenue over to a non-governmental body would in fact result in a loss to public revenues, and any strategy which would attempt to increase that revenue in the short term by means of, say, an income trust would result in reduced revenue streams in the out-years, which simply transfers the deficit from current years into future years, which is not a solution either.

So I recommend that the committee follow the statements of Dalton McGuinty when he said that anyone who suggests that privatizing the LCBO is an extremist driven by ideology, and that we vote in favour of this resolution.

Next I want to turn to the issue of a revenue package: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government introduce, in its 2004-05 budget, a \$2.5-billion “fair share” revenue package.

Well before the 2003 election campaign, the Liberals were aware that Ontario was running a significant deficit. It’s very clear that Ontario was running a significant deficit. I remember sitting in the estimates committee with Mr Phillips, who is now the Chair of Management Board. Mr Phillips read off a long list to the former finance minister, Ms Ecker, of all of the deficit risks, and then summarized it by saying—and this is only last June—that the former government was at risk of a deficit of more than \$5 billion.

I remember Mr Kwinter, who is now the minister of public safety and security, in August saying very clearly to Canadian Press and to the Toronto Sun that there was going to be at least a \$5-billion deficit. In fact, I remember, during the election campaign, the Fraser Institute—certainly an organization that’s no friend of mine; more a friend of the government or more a friend of the Conservative Party—saying that there was going to be at least a \$4.5-billion deficit. So it’s very clear that there was going to be a deficit.

The government said at the time that it was interested in improving public services. There was no mention during the election campaign by the government of privatizing either the LCBO or Hydro or TVOntario. The government said it was interested in improving public services. Well, if the interest is improving public services, let’s recognize that the tax cuts that were put in

place by the previous government are simply not sustainable. In fact, many of them couldn't be sustained on any logical basis.

Currently, the employer health tax is supposed to provide an exemption to small businesses in terms of their payroll, but that same exemption has been turned around to now apply to the largest corporations. It seems to me that the exemption should be restored to what it was originally intended—that is, small businesses, businesses that are just starting out, can continue to have that exemption from the employer health tax on their payrolls, but larger corporations should be paying that, as was originally intended.

1100

The issue of corporate tax rates—the fact of the matter is, I remember Mr Phillips, Mr McGuinty and, I think, also Mr Sorbara in the run-up to the election campaign and during the election campaign pointing out that Ontario's corporate tax rates were now lower than in a number of bordering US states. I also note that in 1997, 1998 and 1999 there was no corporation in Ontario that had any problem paying the corporate tax rate as it was then. In fact, most of them were not only paying their corporate taxes but they were boasting about their profit line. Obviously there wasn't a problem with corporate tax rates. They should be restored to the level that they were at in 1999 so that the revenue is available to invest in health care, education and protecting the environment.

Finally I want to deal with notice of motion 77, deductibility of labour and environmental fines. I think most people would find it atrocious that when a corporation pollutes the environment or has a worker killed on the job and is assessed a penalty, they then deduct that from their taxes. In effect, all of the other taxpayers in Ontario end up subsidizing them in the payment of their penalty. For God's sake, when a company is fined for environmental infractions or labour infractions—the death of a worker—it seems to me that they should pay their own fine. They should not be able to deduct it from their taxes and then ask the rest of the people of Ontario, who are not culpable in any way, to pay their damn penalty. It just seems to me fairly elementary.

I would strongly recommend that members of this committee support these resolutions. As I say, the first two are very clearly things that the government said, either before or during the election campaign. The third one—deductibility of labour and environmental fines—just seems to me an elementary principle of fair play and justice. If you've been found guilty of an environmental infraction or a health and safety infraction, you should pay your own damn fine and not ask the other taxpayers of Ontario to subsidize you.

The Chair: Now we'll move to the government. I would suggest, as with the others, that you move your motion first before you continue on.

Ms Marsales: Thank you, Mr Chair. I'd like to move that the standing committee on finance and economic affairs instruct the committee to reflect its will that specific funding targets be implemented in a fiscally respon-

sible manner over the next four years, as set out in the Liberal election platform, and not hastily in the 2004-05 budget.

The Chair: You have 20 minutes, less the time that you just took, but you have 20 minutes as a party.

Ms Marsales: Perhaps I could just speak to that. I think we've heard from many individuals requesting that we approach our financial deliberations with great sensitivity to the burden which was left to us by the previous government. Therefore, we're taking this very fiscally responsible position of funding implementation over the next four years. We choose to do this not for the political expediency, as expressed with previous governments, but rather with a view to the people who have come before us. We feel that we are doing the right thing for the people of Ontario for the long-term benefit. The needs are so great that they have to be measured over the next four years. That's why this motion is being brought forward.

Mr Colle: I want to go back to some of the basic premises. The first reality is that many of the deficiencies we see in our social infrastructure, our capital infrastructure, are daunting. Like myself, most members on this side and, I'm sure, on the other side, would love to invest in all the needs we have in our ridings and throughout this province. Wherever you go, whether in terms of our hospitals—hiring nurses, the capital infrastructure in hospitals, MRIs—to our cities, whose sewers and water treatment plants are in dire need of investment, to our public transit systems throughout the province that was essentially abandoned by the previous government, there are so many needs that we heard reports on—homes for the aged, supportive housing—that it's just never-ending.

I guess what it comes down to is the basic realization that we have to look at how we finance these needs that the public is asking us to meet in a different way than we have seen in the last eight years. The last eight years are a pretty clear indictment of supply-side-type economics, which basically, in a nutshell, means that if you cut taxes, you can increase government revenues and they'll pay for government services. We've seen that cutting taxes essentially for the higher end, as this government did, for corporations and people with higher incomes, does not meet the social needs, the capital needs, and it leaves government finances in a desperate state.

All you have to do is look at the birthplace of that tax-cuts-solve-all approach, the United States. It started with Ronald Reagan, where he came into government with a \$79-billion deficit and left with about a \$290-billion deficit. That's all in the research that Mr Johnston did for us. Ministry of finance tax cuts in other jurisdictions is what I asked for. You can see that Reaganomics' supply-side tax cut policies left the United States with a huge deficit. Then, as you know, this latest President of the United States came to power, and we now see the United States facing a similar situation of a US\$500-billion-plus deficit.

One of the things that I found somewhat amusing in Mr Johnston's research is a quote from Fortune

magazine. Justin Fox wrote, and it's on page 8 of the report from Mr Johnston, that this type of economic planning is known as the Laffer curve. "Back in 1981, the most zealous supply-siders argued that Reagan could cut tax rates and government revenues would go up. The basis for the argument was something called the Laffer curve—first drawn on a cocktail napkin at Washington's Two Continents restaurant on December 4, 1974...."

It certainly was on the back of a cocktail napkin that the previous government ran its finances, and we have living proof of the fact that it did not work. Look at our education infrastructure, our hospital infrastructure, our urban, city infrastructure, our small towns, rural communities, the downloading of services. Despite all that downloading and not investing in these public services, we find ourselves with an unprecedented situation here of a debt that's now up to about \$140 billion. Next to health care carrying costs and education carrying costs, I think the next largest item we have to carry now is the cost of interest for our debt. We pay about \$10 billion a year in interest. That's the legacy of Mark Mullins, the Fraser Institute, Reaganomics and the Laffer curve that we're paying for.

1110

The previous government's financial approach was in many ways laughable and in many ways extremely sad because of the legacy it left us. We are left to pick up the pieces here. We have very little room, because the fact is that many of our current programs are not sustainable. That's why everything has to be on the table. None of us likes to think that we have to go into some areas that we would never think possible. But we have a situation where there is an immense challenge for all of us to try to invest in the services everybody so desperately needs and at the same time pay \$10 billion on interest for the debt and manage this year-to-year deficit, which, if we don't do anything, is projected to stay at about \$4 billion or \$5 billion. Yet we have the demands that all of our cities, all of our communities and all of our social service providers know and that during the budget presentations were made so clear to us. So, many of the proposals that we're looking at are proposals that preferably we never would have wanted to look at, but we're forced to look at.

Certainly, we have one party in opposition that is still in denial, that still says there is no deficit, even though their own gurus at the Fraser Institute and Mr Mullins are saying, "You have a deficit of about \$5 billion or \$6 billion." So on one side they want to quote the Fraser Institute and Mr Mullins, and on the other side they're saying, "No, no, that's not true; that's just Mr Erik Peters's idea."

On the other hand, Mr Hampton and his party are saying, "Well, you can't continue on the road of giving tax cuts to corporations and those who don't need tax cuts." Yet your party voted against Bill 2, where we tried to repeal a lot of the Tory tax cuts and even tried to repeal the money to private schools; you voted against that. We were trying to take the first step in stopping this supply-side, Laffer economics and you voted with the

Tories on that. That's what I find a bit difficult to understand. At least the Tories are somewhat consistent on the fact that they think tax cuts are the magic potion for all of our evils in Ontario.

We've got a very definite case that's been made very clear: You can't do things like they've been done for the last eight years and expect to meet the needs of Ontarians. That's why we're looking at all aspects of government, how government works, how to make it work better, because we do believe there are essential services that have to be invested in and we're wondering where we could find the best way of investing in these services. We have to make some tough choices. There's nothing that's going to be easy. We wish that there were some easy choices, but we're going to have to do some things differently, we're going to have to look at various options, we're going to have to be creative and we're going to have to, perhaps, look at some of the suggestions made by the persons and organizations in Ontario who have made suggestions on how to get around this problem.

We have even had Jack Mintz from the U of T and the C.D. Howe Institute say basically, "You're doing the right thing by not proceeding with more corporate tax cuts." Jack Mintz said that. We also heard Hugh Mackenzie, right here in this room, I think it was. He gave us some very good suggestions on what he thought the approach could be. And there are some very reasoned suggestions by the Alternative Budget. We're looking and we've looked at those.

We're not saying we have all the answers, but at least we know that the financial magic preached by the last government and preached by the younger Bush or Reagan in the States doesn't work. Ontario is living proof that the approach the previous government banked everything on has really hurt this province and has forced it to a very difficult crossroads here that we're going to have to meet.

So there are a number of motions before us. Some of these motions are worth supporting; they reaffirm what we're about. Some are not in keeping with what we heard and also are not in keeping with what we think is best for this province. We will consider these motions as we proceed.

Mr Wilkinson: Mr Chair, about how much time do we have left?

The Chair: About seven minutes.

Mr Wilkinson: Great. First of all, I just want to commend research and also all the people on the committee that you've done an excellent job of answering our voluminous questions. I think you said you had 30 of them, and I think you did a commendable job.

I just want to preface my remarks, as someone who is new to this place, that I found the three weeks that we were out across Ontario to be actually quite moving emotionally. There are three things that I recall distinctly.

There was Michelle in Timmins. If you remember Michelle, she was telling us about how she was a single mother raising two stepchildren on Ontario Works. She

hadn't been on Ontario Works very long. Of course, Ontario Works, remember, is all about getting people back to the workforce. That was the mantra: We're not going to call it welfare; it's Ontario Works. Get people back to work.

She was telling us about how a filling that she had had cracked. Remember that? She had a filling that had cracked. She explained to all of us, and me particularly, because I just did not know this, that she was not able to get that filling replaced. Here was a woman struggling with the amount of money that she was getting. Of course, welfare rates had been chopped 22% back in 1995, and had not been raised. She was getting her clothes from the Sally Ann. She was getting food from the local food bank. She was trying to make ends meet, trying just to pay to live in her apartment and raise her two stepchildren. She didn't have money to replace that filling, and what do we know? Well, any dentist will tell you that that tooth will abscess.

What struck me is that we had the money for her to go the hospital to see a doctor, because she didn't have a family physician. As a government, we had money to give her antibiotics for the abscess, we had money to give her painkillers for the pain, we had money to extract her tooth—oh, we had money for that—but we did not have money to fill that tooth. Then we were saying to this woman with a tooth missing, “Go get a job.” Who's going to hire someone with a missing tooth? What struck me was that we had money for the extraction but we didn't have money to fill the tooth.

Then I remember Doris Grinspun from the RNAO, who came and talked to us about how we didn't have money to have full-time nurses and pay them benefits, but we had money to pay casual nurses to have two or three jobs, to have overtime, to have two million hours paid to triple-time agencies. Somehow we didn't have enough money to have full-time nurses so that they would stay in this province, but we did have money to train them so that they could turn around and take a job offer in the States.

The other thing that struck me was the school in Toronto who told us about how there was not enough money to fix the roof of the school, but there was more than enough money to ship those kids across town every day and to rip that school apart to try to get the mould out of the school and remediate it.

As someone who is a certified financial planner, I look at that and it just is appalling. I say to myself, how can we have a such a situation? You know, “For the lack of a nail, the kingdom was lost.” Surely with these types of comments being made over the last eight years to the previous government, any reasonable person would say that you would fix the roof instead of ripping the house apart in trying to get out the mould. Everyone would say it would be better to fill a tooth than to extract a tooth. Everyone would say it would be better to have full-time nurses who are appropriate than to have a whole bunch of triple-time agency nurses.

Then it dawned on me that really the whole agenda here was privatization. It always was. It was always part

of the agenda, because you can't in this province say to people up front that you want to privatize things. I remember Belinda Stronach was just musing the other day about how she really thought there should be more private medicine. Of course, I say, all the millionaires think that's a great idea. You can't do that politically, and so what you do is you systematically pull out all the support systems of the public services that our citizens depend on—create the system and make it wobbly to the point where it falls apart. So I am glad actually that we have an opportunity to change that.

I think if the NDP government had anything to take back, it's that slippery process they went down of increasing taxes to try to solve the problem. I think Floyd Laughren has written that he wished he had that first budget over again. I know there are some people in the previous government who wish that they had not slashed and burned so quickly, that they had listened to the chief medical officer of health.

Mr Hampton: We wish the Liberals hadn't left us a \$5-billion deficit.

Mr Wilkinson: So I found that what we have to do is have a sustainable system. That's what we're dealing with here, how to make this system sustainable.

Speaking to the motions, I think some of them do not reflect the opinions of the people we heard, but I think others are reflective, and we look forward to supporting them.

1120

The Chair: Hearing none, I am now charged with putting these motions individually for your consideration.

Mr O'Toole has moved that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to not add to the provincial debt and that the 2004-05 Ontario budget be balanced.

Mr O'Toole: Recorded vote.

Ayes

Barrett, O'Toole.

Nays

Colle, Crozier, Hampton, Marsales, Oraziotti, Peterson, Wilkinson.

The Chair: The motion is defeated.

Mr Crozier: Chair, could you just read that it is notice of motion number 32? Is it required to read the motion again, in the essence of time? Is it necessary to reread the motion? We've already had it read once.

The Chair: If you don't want the motion read and you understand which motion you are voting on—

Mr Crozier: Are you insinuating that we don't?

The Chair: I have to admit that we have a group of motions. This is one of seven groups.

Mr Crozier: I would just ask that you consider dispensing.

The Chair: I want the committee to understand what motion they're voting on.

Mr O'Toole: Just mention the motion number.

The Chair: If that's your wish, I won't read them into the record again. It's agreed? Agreed.

Notice of motion number 32.

Mr O'Toole: Recorded vote.

Ayes

Barrett, Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Oraziotti, Peterson, Wilkinson.

The Chair: The motion is defeated.

Notice of motion number 29.

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Oraziotti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 94: All in favour? Carried.

Motion number 30: All in favour? Carried.

Motion number 79: All in favour? Opposed? The motion is defeated.

Motion number 27: All in favour? Opposed? Carried.

Motion number 81: All in favour? Opposed? The motion is defeated.

Motion number 37: All in favour? Carried.

Motion number 77: All in favour? Carried.

Thank you very much. Now we'll move to group 2, which is pages 12 to 19, inclusive. They also deal with financial—

Mr Crozier: Sorry, what were those pages again?

The Chair: Pages 12 through 19, inclusive.

We'll move to the official opposition. I suggest that you move your motions that may not have been moved, and then move into what remains of your 20 minutes.

Mr Barrett: I understand we are clustering the motions on pages 12 through 19. All of these are motions from the opposition.

PC motion number 38: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to review small business access to insurance coverage, and appoint this committee to review the drivers behind increasing premiums and decreasing competition in the insurance industry. This was filed February 12.

On page 13: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to reduce auto insurance premiums by 20% and introduce the

necessary reforms to the auto insurance sector as part of the 2004-05 budget. Moved February 12.

PC motion number 18—

The Chair: That one has been moved, so we can go on to the next one.

Mr Barrett: Oh, I see. Thank you, Chair. Mr Klees moved that motion. It was with respect to snowmobiling.

On page 15, I move that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government reduce or eliminate the 2% life, accident and sickness insurance premium taxes and the 3% premium taxes on other forms of insurance to provide some immediate relief on escalating insurance costs as part of the 2004-05 provincial budget. This was moved February 12.

Page 16: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government disallow municipal clawback of tax reductions due on business properties that were re-assessed at a lower value and include such measures in the 2004-05 provincial budget. Moved February 12.

PC notice of motion number 35: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government implement a long-term plan to rebalance the education property tax load, as part of the 2004-05 provincial budget. Moved February 12.

Page 18: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government institute a mandatory graduated tax rate mechanism for both commercial and industrial property classes; and that standards are applied to ensure that the first band of assessment pays the local municipal residential tax rate, as part of the 2004-05 provincial budget. Moved February 12.

The Chair: This next one, number 15, has been moved.

Mr Barrett: That was a motion by Mr Hudak with respect to the mining industry.

The Chair: Comments?

Mr O'Toole: I think we're starting to get the rhythm of this thing. In this section here, I again appreciate the work that the staff have done to try to make some order of all these motions. I think Mr Barrett, in re-introducing these motions that have been moved during the public hearings, which is quite new—it would be a recommendation generally that in the future we consider having a reflective moment after a presentation to see if we can put a footnote that there should be action by the committee.

That being said, looking at this section more specifically in the appropriate nature of insurance and its implications for all of our constituents, we know it's a non-political issue. All governments, right from the NDP on, have tried to address auto insurance. Whether their solution was correct is matter for another debate. But if I look at the presenters at the committee, one of which was the CFIB, and there are others in that whole section on insurance, they call for "a public examination at both the

federal and provincial level of the problem, and to focus on potential solutions to alleviate the problem for small and medium-sized business owners.”

This is where one of our motions came directly from one of the stakeholders. In fact, this is from the CFIB. They said, “Appoint the standing committee on finance and economic affairs of the Legislative Assembly of Ontario to review the drivers”—forces, I guess—“behind the increasing premiums, and decreasing competition in the insurance industry.” There we are responding clearly in one of the motions moved by Mr Barrett.

Another one done by the CFIB is clear: “Reduce or eliminate the 2% life, accident and sickness insurance premium taxes and the 3% premium taxes on other forms of insurance to provide some immediate relief on escalating insurance costs.” They’re offering you very solid fiscal advice primarily focused as the representative of the Canadian Federation of Independent Business. The general thing by the Ontario Chamber of Commerce was to seek ways to control the cost of insurance.

1130

I would hope—and I’m going to resolve not to speak on this for the whole 20 minutes—that we need to respond to some of these recommendations because they’re from the stakeholders, word for word. This isn’t Toby Barrett and John O’Toole or John Baird. We really are trying to respond sympathetically to the industry and the stakeholders that represent them. I think that even Mr Hudak’s motion with respect to the mining tax—we see how important the resource sector is to Ontario, whether it’s mediation of mine sites or the mining tax, the issue going forward of trying to find other relationships to get power to these remote locations, the energy question. It will be a huge ability to allow a form of partnership, P2—that’s a two-wheeled bicycle.

I just think that all of these in this section really come from our stakeholders that we heard from, and I would ask for your support.

The Chair: No other comment?

Mr O’Toole: I’m trying to move along.

The Chair: Mr Hampton, you have up to 20 minutes for comment.

Mr Hampton: I have no detailed comments. I simply want to note that while some of these may have come from stakeholders, a government that complains about its revenue position, a government that did indeed vote to implement some of these would make its revenue position worse—much worse.

One of the motions dealing with, “the government disallow municipal clawback of tax reductions due on business properties that were reassessed at a lower value”—this is a government that has already reneged on its promise to provide two cents a litre of the gas tax to municipalities so they would not be in such a revenue-stretched position. If you act on this, you’re going to put municipalities that are hard-pressed already in an even more untenable financial position.

Then finally, to go to number 19, a 10-year tax holiday for new mines, I just want to say that part of the problem

we’ve got in Ontario is there have been too many tax holidays, too many proposals for tax holidays. In fact, you’ve got a significant number of organizations that are not making a fair contribution to the public services that we all need.

If the government adopts or supports these particular motions, I think you’re not only creating a worse revenue position for yourselves, but for all of Mr Colle’s speech about how he denigrates the younger Bush and the senior Bush and Reagan and Mr Eves and Mr Harris and their ideology, you would in effect be adopting that ideology, whether you choose to admit it or not.

Mr Colle: It’s OK. We’re voting against these.

Mr Hampton: Good for you. I hope the fact that you’re voting against it also finds its way into the budget, whoever the Minister of Finance may be at the time. Thank you, Chair.

The Chair: To the government and Mr Colle.

Mr Colle: I think Mr Hampton sometimes makes a good point, that we certainly can’t continue to go down the road of forgoing necessary tax revenues, which are really the price of providing for services. We’ve seen such a deficit in our social infrastructure. We’ve had estimates that the Conservatives left us with a capital infrastructure deficit—I know the Minister of Infrastructure says it’s about \$60 billion. I’ve heard reports of up to a \$200-billion capital infrastructure deficit that the other government did not take care of as they were merrily cutting taxes.

Some of these motions are not what we heard from the presenters. As you know, we are working on auto insurance and things are beginning to improve. We’re finally starting to see a decrease in premiums. We still have a lot of work to do. We have committed to the reduction, and then, when we bring in an optional policy, we’ll see further reductions as we go down the road.

The most daunting thing, even beyond insurance, is the property tax assessment system. Most Ontarians are beginning to realize they are caught in a very, very complex web of tax policy where the previous government passed 12 pieces of legislation on property taxes and assessment and amended eight statutes. So we have the most complex property tax system in the civilized world here in Ontario. To try and sort it out, MPAC and all the 12 pieces of legislation and all the booby traps in that system, is going to be daunting. In essence, the system is in many ways very incomprehensible for average Ontarians, as it is for most of us, considering there are about five people in the province who even claim to understand the tax system we have. So we have a lot of work to do on property tax assessment and making MPAC work better.

Some of these motions here before us are typical of the previous government’s ad hoc, back-of-a-cocktail-napkin approach to property tax assessment, which can’t be done. The whole system is interwoven and interdependent, so whatever you do could really impact on municipalities’ ability to function, or small businesses’ ability to function. In essence, we have a real challenge

ahead of us on assessment and property taxation in this province. We don't underestimate the work involved ahead of us for property taxation especially, and also on the education property tax situation. We do not have equal rates across the province, and there are many municipalities—I remember we had a deputation from the mayor of Smiths Falls. They are in a real conundrum there because their education tax rate for commercial purposes is extremely cumbersome for them and makes them uncompetitive. We've got all kinds of problems in terms of the differential rate. The previous government left us with that challenge to deal with.

So all in all, there are very few here, I would suggest, that we can support. There are always complications which hurt people and hurt small business and hurt big business and hurt homeowners and hurt people who are trying to afford auto insurance. We've seen 8.3 million motorists in Ontario abandoned by the previous government. We have to do, and are doing, some things that are going to help them make insurance rates more competitive, because it is a challenge that we have no choice but to meet.

We have to also consider all the other needs that the Ontario citizen faces. The previous government basically twiddled their thumbs while many of these issues were allowed to grow worse and worse and worse, and now we are faced with trying to fix them. Some of these motions will make things worse.

Mr Wilkinson: I just wanted to state, as a small business person, that the best thing we can do to make sure that small business has access to general insurance is to deal with the huge problem in auto insurance that we've inherited, which is really causing the fiscal problems and making insurance unaffordable for small business. That's why we moved ahead with Bill 5 and that's why I think the last thing small business needs is for this committee to start running around working on that problem while we're busy trying to solve the fundamental problem of auto insurance, that consumers get the protection they need at an affordable price.

1140

I was surprised on motion number 31 that the opposition thinks that somehow we promised a 20% reduction in auto insurance. Specifically in our platform what we said was that there would be a 10% reduction in auto insurance premiums on average, and then, coupled with that, reforms which we are instituting which allow consumers to save another 10% by, for example, opting out of coverage that they could never claim in the first place, which seems eminently logical to me.

I would like to commend Mr Oraziotti for his passionate comments on motion number 18 in regard to the snowmobiles in the north. He spoke eloquently and passionately on that, and with great conviction. So I think we're looking forward to supporting motion number 18.

As someone who is a certified financial planner and actually licensed in this type of insurance, regarding motion number 39, talking about a reduction in tax on insurance premiums, I can tell you that if I were wearing

my previous career's hat, I'd say that was a good idea. But since I'm here and I see the fact that we're bleeding red ink at \$5.6 billion a year, I don't think there should be any rollback of that tax until we have balanced our fiscal house, and that's what any small business person would tell you.

On motion number 36, when we talk about disallowing the municipal clawback, again, these are the type of things that we should not get into because, as Mr Hampton rightly put, it just worsens our revenue position and doesn't do anything to enhance revenue whatsoever.

Again, we heard the deputations, as Mr Colle said, about education property tax load. That has to be dealt with, but we have to fairly represent what people who came in deputation to us did. I don't think that motion looks after that at all. Nor do I remember receiving anything about having a mandatory graduated tax rate mechanism for commercial and industrial. Again, I don't think we should be writing a report that doesn't reflect what people told us.

Clearly, on motion number 15 in regard to taxing the mining operations, we just passed Bill 2 as a government, and we're not backing off Bill 2.

I look forward, with my colleagues, to voting on all of these motions. Thank you.

The Chair: Further comment? Hearing none, we'll now move into the vote on this group 2.

Mr O'Toole: I'd like to request a recorded vote of each of these motions. They're grouped together, so it's saving time.

The Chair: In the interest of time, then, they've requested a recorded vote on each one of these, rather than separately. Agreed? Recorded votes are requested.

Notice of motion number 38.

Ayes

Barrett, Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Oraziotti, Peterson, Wilkinson.

The Chair: The motion is defeated.
Motion number 31.

Ayes

Barrett, Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Oraziotti, Peterson, Wilkinson.

The Chair: The motion is defeated.
Motion number 18.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.
Motion number 39.

Ayes

Barrett, O'Toole.

Nays

Colle, Crozier, Hampton, Marsales, Orazietti, Peterson, Wilkinson.

The Chair: The motion is defeated.
Motion number 36.

Ayes

Barrett, O'Toole.

Nays

Colle, Crozier, Hampton, Marsales, Orazietti, Peterson, Wilkinson.

The Chair: The motion is defeated.
Motion number 35.

Ayes

Barrett, Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Orazietti, Peterson, Wilkinson.

The Chair: The motion is defeated.
Motion number 34.

Ayes

Barrett, Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Orazietti, Peterson, Wilkinson.

The Chair: The motion is defeated.
Motion number 15.

Ayes

Barrett, O'Toole.

Nays

Colle, Crozier, Hampton, Marsales, Orazietti, Peterson, Wilkinson.

The Chair: The motion is defeated.
The third group will be pages 20 to 30, inclusive.

Just so I can keep following along here, page 20 has already been moved.

Mr Barrett: Yes, that has already been moved by Mr Klees with regard to Ontario Works and disability payments. Within this cluster, within pages 20 to 30, on page 24 there is also a PC motion, number 65: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government build upon the previous government's work with respect to welfare reform and keep their promise to "help welfare recipients with skills training" and provide the appropriate funding as part of the 2004-05 provincial budget. This was moved on February 12.

I think the third and remaining opposition motion was made by Mr O'Toole on February 10 with respect to an initiative from the government to have people temper their requests for more with respect to education funding. I don't need to read that motion, do I?

The Chair: No, it was moved prior. You have a little less than 20 minutes for comment.

Mr O'Toole: I'd just like to respond. We did receive a lot of input during the public hearing process from educators. I think you've kind of acquiesced to the College of Teachers. The OTF have won. Clearly, you're going to pay back the teachers who voted, both in their classrooms and out, for you. Now you owe them. Let the public be clear that you are going to pay, starting with the colleges last week, of about an 8% increase, which is greater than the growth in the economy, which I think is going to be challenging. I think it's important to put on the record, from your own document, for the TV cameras—could you zoom in on that a bit? I want to put on the record here that you have now been captured. The chase is over. The hunt is down. Gerard Kennedy has been wrestled and hog-tied to the ground. You have the college now, and now they want, including my wife, 20 per class. I don't know if they're going to see that in the budget or not.

1150

Here's what Greg Sorbara, who was then the finance minister—I'm not sure in the future. He's the person who should be delivering the budget; he could be in court that day. However, I'm going to read from page 8 of your document, the economic outlook and fiscal review. It says:

"The second element of our work plan is restraint. This must be our watchword as we begin to redesign government. We're already paying more than \$10 billion a year in interest on our debt. This is more than we spend on operating funding for our primary and secondary schools." This is the important part: "So we're asking our partners in health care, education and the rest of the broader public sector to temper their requests for more."

As Peter Kormos said that day, he could see Dalton's face, but he heard Bob Rae's voice. I thought that was excellent. I don't know who writes his material, but they do a good job.

Mr Hampton: He saw his lips moving.

Mr O'Toole: He saw Dalton's lips moving—

Mr Wilkinson: I can hear Flaherty.

Mr O'Toole: Actually, no; Jim is known for compassion.

Laughter.

Mr Colle: Especially with the homeless.

Mr O'Toole: Let it be noted for the record that the Liberals are screaming with laughter. The point is—I wouldn't like to bring up the personal challenges of Mr Flaherty and his family.

Laughter.

Mr O'Toole: It's just unbelievable, the disrespect.

I'm going to focus on one, PC motion 23, which I've just cited in your own document. I would hope that you would live up to this and support Dalton—of course, the whip will make sure you do—"That the committee recognizes that the plea delivered by the Premiers for the government partners in education to 'temper their requests for more' directly contradicts many of the promises" you made during the election. You're being hoisted on your own petard, as I've heard said by Mr Conway, who isn't here now, being replaced by Mr Wilkinson. I do think there is a contradiction in some of your promises and what you're actually doing. I want to say this in response to primarily the education amendments that were moved here and the other broader public sector issues.

I also want to know on notice of motion 65 what you are going to do to build on helping welfare recipients with skills and training. If you can't support that one you're deserting a group of very vulnerable people in our society. Your program might be different. You might call it Ontario Works; you might call it Liberal Works. I don't know. Call it the slush fund scandal, like the federal Liberals do, but find some way of helping people to take control of their lives.

The definition of conservatism is this: being fiscally conservative and socially compassionate. That is the record right as far back as Sir John A. Macdonald, who built this country, and, more recently, Bob Stanfield, the leader of the Conservative Party federally. When I think back to Bill Davis, who built most of the programs we're living on today—they were built by the Conservative government. I can say that, looking forward, I'm confident the leadership candidates will bring that debate—as Mr Eves tried to bring that debate—to the people of Ontario that you've got to have a strong economy before you can have a strong quality of life. There are times, like the researchers have outlined, when there are revenue bumps on the road, whether it's blackouts or West Nile or SARS or BSE or the value of the Canadian dollar, that will cause revenue to decline and expenditures will remain constant or grow.

If I put on the record one thing, there are several motions in this cluster that I expect your support on, and I ask for it humbly. Mr Barrett may have something to say.

The Chair: Further comment?

Mr Barrett: Within this cluster, further to PC motion 23—it's found on page 26 and again makes reference to

the 50 different promises with respect to education made by the Liberal government during the recent election. Teachers, school boards, parents and students have all come to expect a fulfillment of these promises. These groupings have also been told to temper their requests for more. I am concerned, as a rural MPP, that rural schools don't have time for waiting. There is a situation with school closures that will not be solved by any request from government to temper requests for measures to ensure that our rural schools remain viable, and much of that lies with budget measures.

The past few months have been a bit of a roller coaster for rural school supporters. I can think of certainly one school in my area where there has been a bit of a hard-fought campaign to keep this school open. For the parents, the students and the teachers at this particular school—it's called Seneca Unity, just outside of Caledonia—at first blush, there was reason to be optimistic. What people in this community were presented with by the present Liberal government was an election platform, a promise. It was a promise to have "a moratorium on rural school closings." In addition, there was a promise of "an additional \$177 million in funding for rural education."

We know that a moratorium was announced in the form of a request to school boards. This was not legislated. This is seen as a voluntary initiative. Some school boards have publicly stated that they will go down this road. I think what is very disappointing for people connected with Caledonia's Seneca Unity school is—and they've received copies of this election platform that stated a moratorium on rural school closings. They went on the Web site, www.ontarioliberal.ca, and read the news release. It was entitled, "McGuinty to Save Rural Schools." What is concerning people with respect to this particular promise, out of the 50 promises made in the education category, is that the moratorium on school closures has become a post-election request. They're not sure that this request has any teeth. It's a request not backed by legislation, as I indicated, and it's a request that education minister Gerard Kennedy admitted could still see school boards proceed with closures. Of what value is that promise? What value does it have for the parents and students at Caledonia's Seneca Unity?

The concern too is with respect to the \$177 million in funding for rural education: How long will this sit on the back burner? These are issues that are very important for the future of Seneca Unity—and I use that particular school just as an example. I have been involved in a number of battles to keep rural high schools open. We have been successful with those battles, save for one: Burford high school, which did close. But we have a number of schools in the Grand Erie school board whose fate remains in the hands of this present government: Delhi High School, Valley Heights Secondary School and Port Dover secondary school.

As this government continues to delay honouring education promises, funding-related promises that will impact our education system, our school boards are left with

the decision of making decisions in a vacuum, dealing with a voluntary request to keep a school open in their jurisdiction without any indication of firm funding. I indicate to members present that our rural students and their parents deserve something better than that, given the indications that were made to them during the election. As far as Seneca Unity, it just indicates that the fight obviously is far from over, in spite of what they heard during the election.

1200

On a more positive note, I ask our Ministry of Education, our Ministry of Finance and school boards themselves to think outside the box, if you'll pardon the expression, and to continue to strive for some direction to attempt to keep those rural schools open where it is appropriate. Distance education, shared staffing—there are an awful lot of ideas kicking around out there, and much of this does relate to a reallocation of resources and a redirection of funding, which is something that I would hope this committee would continue to take into consideration.

Mr O'Toole: Just to refer for members who may have the time to read these volumes of paper produced by research, the section covering education is supported on pages 40 to 50 of the research summary of recommendations from presenters.

A couple of them aren't really in here, but since this section is kind of dealing with the education portion, it says here, for instance, under the section "E-Learning"—it's very important, and I think Mr Peterson was quite impressed with those options. There's a group that presented, SAEL, the Strategic Alliance for e-Learning. They presented on January 28, and they came up with a couple of recommendations which I feel should have been moved during the hearings, and I think Mr Peterson would probably agree. There are some options, specifically when remote and rural schools have too few students to offer advanced calculus or the advanced training courses, where e-learning is certainly one of the solutions.

I'm just going to review a couple of them, and I want to cite the presenters. OECTA, the Ontario English Catholic Teachers' Association, on page 42 of that report, asks for a 13% increase. They've asked also for additional preparation time. I'm wondering what the government is actually going to do in this report to respond to the many—at each destination, I believe there were at least two education presenters, mostly teacher unions. Individual teachers' voices might get muted in all that, but I think there were only two students who appeared the whole time. They are the ones we've got to somehow encourage to hear from in the future. But that is worth looking at. There are a number of recommendations there on the Rozanski report by the Ontario school bus operators, asking for an additional \$40 million. We've just tried to synthesize a few of these recommendations for the members, and I wanted to refer to the great work done by the research people on the Summary of Recommendations Made in the Pre-Budget Hearing 2004, pages

40 to 50, for those who may be tuned in who want to read Hansard.

The Chair: We have reached the noon hour, but I'm advised that lunch is not ready yet. I wonder if we could continue on, and when lunch is prepared, we would take that half-hour recess then.

Interjection.

The Chair: It is ready? We're ready now? I was advised that lunch was not ready; now I'm told that it is. We would come back after. Is it the committee's wish to have lunch now, 12 to 12:30, a half-hour?

Mr Hampton: I thought we were recessing from 12—

The Chair: It was changed this morning. Should we recess now? We'll recess now for half an hour. We will reconvene at 12:35.

The committee recessed from 1205 to 1235.

The Chair: The standing committee on finance and economic affairs will come to order once again. What we would do now is move to the government, and you have a number of motions.

Mr Colle: I have Liberal motion number 82. I move that the Minister of Finance, in consultation with the Ministry of Community and Social Services, consider changing the previous government's policy of clawing back the national child benefit supplement from those receiving social assistance.

Also, Liberal motion number 83: That the Minister of Finance consider, in consultation with the Minister of Community and Social Services, increasing the maximum allowable earned income for persons receiving Ontario disability support payments, ODSP, in order to remove disincentives for persons collecting Ontario disability support payments, ODSP, from working.

There's a couple more.

Liberal motion number 85: That the Minister of Finance, in consultation with the Ministry of Education, consider addressing the problem of native-speaking aboriginal children who require ESL programming by providing adequate ESL funding.

Also, Liberal motion number 84: I move that the Minister of Finance, in consultation with the Minister of Education, work with school boards and teachers to develop a plan to implement smaller class sizes in the primary grades.

The Chair: Comments?

Mr Colle: If I could just speak to some of the motions here that we've put forward. Number 82, in regard to "the Ministry of Community and Social Services consider changing the previous government's policy of clawing back"—I think it was brought to our attention loud and clear that this was punitive, where we have one government trying to support a social program that's much needed for children and their parents, and yet the provincial level of government claws it back from those receiving social assistance. So that's why I think it's appropriate to ask both ministers to hopefully, as quickly as possible, change this clawback and get rid of it.

Then also, motion 83, disincentives for people on ODSP—again, this relates to, very specifically, a couple

of presenters we had in Kitchener-Waterloo. We had that very articulate young man from London who talked about the disincentives there are if one wishes to work beyond the \$160 limit so they could help themselves pay for the rent, pay for their food and be more independent. I think it's very appropriate for us to see if we can get rid of these disincentives which seem to be counter-productive, especially when there's a willingness to work.

1240

Liberal motion number 85: This was something brought to our attention, certainly in Timmins, and I think it was also brought up in Thunder Bay, if I'm not mistaken. It seems that where there are some children—for instance, I think in Timmins they mentioned children who have Cree as their first language—if they come into the publicly funded school system, the ESL funding does not recognize those native-language speakers as eligible for ESL funding by the Ministry of Education. I think it's appropriate for us to ask the Minister of Education to perhaps include this funding for native-speaking aboriginal children under the ESL funding program.

Also, number 84, “in consultation with the Ministry of Education, work with school boards and teachers to develop a plan to implement smaller class sizes in the primary grades”—I'm sure we all agree that it's critical in the early grades to make class sizes smaller, given the demand on teachers. I know I was at Regina Mundi, a Catholic elementary school, yesterday. It just reminds you of how challenging that job is. I was in a JK class and a senior kindergarten class where you have a couple of children who are learning disabled, with special assistance, in the middle of a class of about 22 or 23. There was a co-op student. These are children with great aspirations, but they are very energetic and demand all the attention they can get. I was just reminded too when they were going out for recess. The recess was only 10 minutes long, so by the time you dress them, then get them out for 10 minutes and have the kids come back in, the numbers are daunting.

I know you talk to some of own colleagues here and some of our constituents and they talk about how difficult it is dealing with one or two or three or four kids in a family, and then you have teachers dealing with significant numbers above the 20. I think it's a very laudable goal, and we're committed to doing that. We are hopefully, with this motion, getting the Minister of Education working again with the teachers and school boards. I remember—I think it was in Windsor—one of the presenters from the local board of education said they had a very good proposal they were going to put forward to the Minister of Education in terms of implementing this goal of reducing class size in the primary, early grades. There is a willingness to co-operate to implement this commitment to the smaller class sizes. I think this motion does help to achieve this.

The Chair: Further comment? Hearing none, we'll move to Mr Hampton.

Mr Hampton: I have a number of motions which I want to move. These motions were filed by Mr Prue at an earlier date. The first one is NDP notice of motion number 73. I move that: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that, in its 2004-05 budget, the government eliminate the national child benefit clawback and ensure, at a minimum, a cost-of-living increase for those receiving Ontario Works and ODSP assistance. This would constitute a meaningful first step in implementing promises made in the Liberal 2003 election platform and in opposition to end the clawback, and to increase both the basic Ontario Works allowance and ODSP. This would cost approximately \$250 million but, as I say, it represents a minimum step in implementing something that all Liberals across the province said they were committed to doing during the 2003 election.

The next motion that I want to draw your attention to is the NDP notice of motion 75. Again, this was filed by Mr Prue on February 24. I move that: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government allocate at least \$75 million to expand Ontario's regulated, non-profit child care system in its fiscal year 2004-05 budget. This would constitute a meaningful first step in implementing promises made in the Liberal 2003 election platform to invest \$300 million in child care and to extend child care assistance to 330,000 children. I move the adoption of this resolution. As I say, this is a minimum first step.

The next notice of motion is NDP notice of motion 71, again, filed by Mr Prue on February 24. I move: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government allocate \$1 billion in new educational funding in its fiscal year 2004-05 budget. This would constitute a meaningful first step in implementing the Liberal 2003 election education promises (including Dr Rozanski's education financing recommendations), which would cost approximately \$3.2 billion over four years.

Next, NDP notice of motion 80: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government provide sufficient funds in the fiscal year 2004-05 budget to make aboriginal children who speak neither of Canada's official languages eligible for English-as-a-second-language (ESL) funding. Currently, ESL is not available to native-born speakers of aboriginal languages such as Cree and Ojibwa. In northern Ontario, many aboriginal children enter the public school system with little, if any, knowledge of either of Canada's official languages.

I believe that's it. I'd like to speak to those resolutions. First of all, to the resolution with respect to the national child benefit and to increasing levels of assistance under Ontario Works and ODSP, I want to quote a question from a fellow named George Smitherman, now Minister

of Health. His question was to the former Premier, and it was:

“My question is to the Premier. Earlier in questioning from my leader, you acknowledged that there are 100,000 kids living on social assistance today in the province of Ontario, and we would all agree that’s too many. The reality is that there are” that many.

“Yesterday you brought your little empty red wagon express of Ontario’s Promise to St James Town, ground zero in the war on poverty, in my riding of Toronto Centre-Rosedale.

“I want to ask you a question, Premier. If you really want to do something to help those 100,000 kids living on social assistance in the province of Ontario today, will you stand before us today and tell us that your government will end today its awful clawback of dollars that the federal government has directed toward the poorest kids in our province and allow 100,000 children living on social assistance in Ontario to have the full benefit of federal government dollars in their pockets to deal with the poverty that they face every single day?”

I hope that the Liberal members of this committee will now say what you said in opposition. It would cost \$185 million on an annual basis to end the national child benefit clawback and \$65 million on an annual basis for cost-of-living increases for Ontario Works and ODSP recipients. I don’t think that is too much for people who are facing a very tough time indeed—in fact, people who have had their incomes frozen since 1995.

I then want to address the issue of notice of motion number 75, child care. Once again, what was promised in the election platform was to invest \$300 million in regulated, not-for-profit child care and to extend child care assistance to 330,000 children. If I could quote the campaign document, it says that your Best Start program will provide child care for 330,000 children. By your own calculation, you estimated this would cost \$300 million over four years. Therefore, a quarter of that, a first-year down payment, would cost \$75 million.

1250

Then there is the issue of education funding. Again, if I quote from the Liberal campaign document: “Education has never been more important for young Ontarians and for our province’s prosperity, yet our schools have never been more threatened and our students ... more at risk.” As you know—and I guess I should give credit to the former Conservative government for this; they were finally forced to create a task force to look at education financing. The Rozanski education report established that the bottom line for adequate funding—just adequate funding—of our public education system is this: In 2002, Dr Rozanski called for \$2.1 billion over three years in funding, plus inflation and enrolment benchmarks of about \$375 million per year over the same three years. This would require approximately \$1 billion for the 2004-05 fiscal year just to start to bring us up to adequate funding. So I hope all Liberal members of the committee will recognize the commitments that you made during the election, and you will support this.

Mr Colle has spoken about the problem of native children whose families speak Ojibwa or Cree at home, and those children enter the public school system and yet are not eligible for English as a second language. I think this is just a clear case of discrimination, so this committee needs to move very strongly to end that discrimination.

Those are my amendments, and I look forward to having all the Liberal members of the committee support them. Thank you.

The Chair: Thank you. Now we will move to the voting. Motion number 10: All in favour?

Mr Hampton: Hang on, Mr Chair. I need to make sure I’ve got this motion number 10 in front of me.

The Chair: It’s page 20. We’ll be dealing with pages 20 through 30, inclusive.

Mr Hampton: Thank you.

The Chair: Motion number 10: All in favour? Opposed? The motion is defeated.

Mr O’Toole: Could I have a recorded vote next?

The Chair: You’re requesting a recorded vote on motion number 73?

Mr O’Toole: Yes.

Mr Hampton: Yes, I want a recorded vote.

Ayes

Barrett, Hampton, O’Toole.

Nays

Colle, Crozier, Marsales, Orazietti, Peterson, Wilkinson.

The Chair: The motion is defeated.

Page 22, motion number 82: All in favour?

Mr Colle: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O’Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 83: All in favour? Carried.

Motion number 65: All in favour? The motion is carried.

Motion number 75: All in favour? Those opposed? The motion is defeated.

Motion number 23: All in favour? Those opposed? The motion is defeated.

Motion number 71: All in favour? Those opposed? The motion is defeated.

Motion number 80: All in favour? Those opposed? The motion is defeated.

Motion number 85.

Interjection: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, O'Toole, Peterson, Oraziotti, Wilkinson.

The Chair: The motion is carried.
Motion number 84.

Mr Crozier: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, O'Toole, Peterson, Oraziotti, Wilkinson.

The Chair: The motion is carried.

Now we will be working with motions within group 4, pages 31 to 41, inclusive.

Mr O'Toole: What is the grouping here?

The Chair: They are agriculture, economic development and trade, energy, and environment.

Mr O'Toole: Is there an index here? I'm missing something. Is there an index? There should be an index. I don't know what the groupings are.

The Chair: No, there isn't. For the benefit of the committee, 31 to 34 are agricultural-related; 35 is economic development and trade; pages 36 to 38 are energy; and pages 39 to 41 are environment.

Mr O'Toole: Very good. Excellent.

The Chair: We'll begin with the official opposition motions.

Mr O'Toole: Mr Barrett and I will probably change this, because Mr Barrett is profoundly interested in agriculture, as I am. I've got different roles in energy, and he is profoundly interested in environment as well. So I'll just start here. My understanding is, we're moving from pages 31 to 41 inclusive, right?

The Chair: Right.

Mr O'Toole: On behalf of Mr Barrett, notice of motion 50: That the standing committee on finance and economic affairs recognize that this government is committed to banning smoking throughout the province and therefore recommend to the Minister of Finance that the government keep its promise to "establish a community transition fund to help farmers move away from growing tobacco" and announce specific funding levels as part of the 2004-05 provincial budget.

Motion 64: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government build upon the previous government's work with respect to nutrient management and keep their promise to "ensure that farmers are not left paying the entire bill" and provide the appropriate funding as part of the 2004-05 provincial budget. That was moved on February 12.

Motion 66, moved on February 12: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government build upon the previous government's work with respect to welfare reform and "work with farm organizations, food

processors and the federal government to ensure the highest safety and quality standards for our food products" and provide appropriate funding as part of the 2004-05 provincial budget.

I hope I read that correctly. Yes, OK.

1300

Motion 67, filed on February 12: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep their promise to assist farmers by helping to "brand our food products as the best and the safest in the world and market them aggressively" and provide the appropriate funding as part of the 2004-05 provincial budget.

Motion number 93: We'll let Mike Colle do that.

Page 36, motion 60, moved on February 12: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "complete a new tunnel and add a third turbine to the Beck generating station at Niagara Falls" and provide the appropriate funding as part of the 2004-05 provincial budget.

Motion 61, moved on February 12: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "reduce electricity use (of the Ontario government) by 10%" and provide the appropriate funding as part of the 2004-05 provincial budget.

We'll let the Liberals do the next motion.

Interjection.

Mr O'Toole: Number 20 was a very good one, actually. It's the GlobalTech one. It has already been moved and I think it's endorsed.

Motion 62, page 40: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise that "Ontario gasoline will be required to contain at least 5% clean-burning ethanol by 2007, rising to 10% by 2010," and provide the appropriate funding as part of the 2004-05 provincial budget.

Page 41, motion 63, moved on February 12: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "implement every recommendation of the Walkerton inquiry" and provide any necessary funding as part of the 2004-05 provincial budget.

Thank you for your respect on that. Mr Barrett will probably lead off with his comments, as long as he gives me half the time.

Mr Barrett: Agreed. With respect to the opposition motion calling for the establishment of a community transition fund to help farmers move away from growing tobacco, we know the present government made a commitment for funding during the election to the tune of \$50 million. There has been considerable debate on that fund proposal, in the sense that there is a body of opinion out there that it would not go a long way to assist farmers to either add their acreage or have their quota bought out. In addition, by doing that, problems would be created in the sense that growers of other commodities would then

be subject to tens of thousands of acres on that kind of soil, the Norfolk sand plain, coming on the market to grow products like tomatoes or ginseng and other crops like that. There would be a saturation of the market.

So there is a call for government assistance, both provincial and federal, to assist in the transition to new rural economic endeavours, assistance in infrastructure, assistance with respect to marketing new commodities and assistance with respect to processing. Farmers on the Norfolk sand plain can grow just about everything, including certain sub-tropical crops, but finding a market for them is a challenge. For that reason, there is the request for government assistance.

There is some new material that I wish to draw to the attention of members of this committee. The major player in Canada's tobacco agribusiness, Imperial Tobacco, has indicated that they will be importing tobacco to a very large extent. Increases in their purchases of imported leaf—and who knows what is sprayed on that product in other countries, whether it be Brazil or African countries or India? Second, they're walking away from the two-price system. They will be implementing a unilateral price cut for tobacco growers, and there's concern that other companies like JTI-Macdonald, Rothmans and Benson and Hedges will follow suit. This just came to light a few days ago. This is just to reinforce the need for compensation.

From what I consider to be a very good research package that we have here with respect to tobacco taxes, we do know that the Ontario government in the coming fiscal year will probably be accruing well over \$1 billion in tobacco taxes. This kind of addition of tax revenue from tobacco to both levels of government, as we know, has been going on for years and years. Very simply, the farmers are asking for a little bit of that tax money back.

One thing that's very interesting is I know we asked about the impact of contraband. There is leakage, if I could use that expression, with respect to tobacco tax revenue, compared with what projections are made. We see that in 2003-04, the tobacco tax budget forecast is \$1.3 billion and the tobacco tax revenue came in at \$1.169 billion. So \$156 million less tax than forecast came in. The question is, where did that product go? The speculation is that that product, comparable to that amount of money, was probably purchased out of the trunk of a car or perhaps on Native reserves.

That's probably the most important thing I want to say about tobacco. I know some of these resolutions touch on environment and energy, and we really do have to put our thinking caps on with respect to new sources of energy and alternative sources of energy. We have a very serious problem, a looming problem, with respect to supply. There is evidence now, three years running, of limited gas reserves, dwindling supplies of natural gas. We need incentives, not only for supply but, further to that and where I'm heading, with respect to a large Ontario Power Generation plant in my riding that uses coal, as do four other plants—Thunder Bay, Atikoken and over on the St Clair River. There is a case to be made for investment

in technology to continue to reduce emissions and to look at clean coal technologies.

The expression "clean coal" has been abused in a sense, but a lot can be done and certainly a lot has been done by the past government with respect to applying SCRs, selective catalytic reduction units, on these kinds of plants. As far as supply of coal goes, there doesn't seem to be a problem there. The global supply is pegged at 1,000 years. Someone will have to deal with it 1,000 years from now.

Mr O'Toole: I guess the energy file is one that we probably should try and follow up on, the work already done by a number of all-party committees, starting right from the very beginning with the nuclear select committee, which talked about the recovery of the nuclear facilities, as well as the alternative fuels committee and it's all-party unanimous report—some good work done there—and certainly the committee that was established when we were government, the generation and conservation committee and the good work done there. Energy is going to be an important and challenging file for the future. I think a mix of partners in that is going to be important.

1310

We do encourage you to complete the already committed work on the Beck generating station at Niagara Falls that's using off-peak power to pump water back up over the falls into a reservoir and then bring it down over the falls at peak power so that you're using electrons that would otherwise be dissipated in non-peak times. There are a couple of other recommendations as well that we had been working on. Beck 3 was widely supported by Jim Bradley. I think the work has been done and all it needs now is your completion for that to happen. That is in motion 60.

There's also the commitment of the all-party committee to reduce our own use of electricity. Specifically, I could draw to your attention, as a commuter each day to Durham—my wonderful riding of Durham; I'd like to be the member there for the next 30 or 40 years—that to reduce that use it's as simple as turning half of the lights out on the highways, every second one; you could save 50%. Half of it's a waste, because you get past Oshawa in my area and there are no lights. If I can drive most of it with no lights, and if I'm in an urban area I can't see, there's so much light—it's almost like light pollution; there are just 10 zillion cars zinging around. I think there could be some initiative by the Ministry of Transportation to—

Mr Colle: Turn off the lights in Durham. Is that your motion?

Mr O'Toole: No, the area of my riding is not lit, Mr Colle, and that's the problem. Toronto has everything lit up. It's just practical things like that that I suspect you should look for, and motion 61 would do that.

I believe the whole issue of the gas tax is certainly something that falls under this. You promised to commit some of the billions of dollars—\$300 million is your commitment, I think—and I know Mr Colle must just be

sweating this one to see if you're going to actually do it. I doubt it. You broke every other promise; why would you keep this? The gas tax is needed by municipal transit. We hear it; we've seen it. The federal government seems to be willing. You've got to have the confidence and the leadership to make the first step. I haven't seen any leadership yet, and this will be a first. I think it should be announced by Mr Takhar, the Minister of Transportation. How it will be announced, the way I see it, is that Dalton will announce it, then Greg will announce it, then Takhar will announce it, then Mike Colle will announce it, and then you'll never do it. That's the problem. But the gas tax is something you committed to, and I think it's actually the fulcrum where the people are at right now, that very balanced point where if you don't do this, you're in big trouble.

As far as I'm concerned, the clean-burning coal has actually been talked about. We brought forward one of our recommendations, motion 62 here, to talk about 5% ethanol. That would certainly be a solution in agriculture—I think Mr Hoy would probably agree with that—and raising it to 10% by 2010. All parties agree that clean, efficient fuel creates a better burn, and it was one of your promises. But again, your promises are like having a piece of Monopoly money, really: It looks good, but it doesn't do anything.

Interjections.

Mr O'Toole: No, the money you've been spending recently, I believe, is the money that is questionable.

The Chair: Order.

Mr O'Toole: I believe that with the commitments and the work we had done with Walkerton and Justice O'Connor's report it is clear that we were following up on all the recommendations on that, unlike the meat inspection, where you promised a full inquiry and you didn't. This sounds like a technical discussion—

Mr Colle: You fired the inspectors.

Mr O'Toole: No, no. You really deceived the people of Ontario. In agriculture, they know about it. They know that you promised an inquiry. What did you have? Some other form of cover-up, I suppose, that you're doing—that I think you're doing, anyway.

Those are the motions I think we should be looking at, and I appreciate your support on all of them.

The Chair: We move to the NDP and Mr Hampton. You have up to 20 minutes for comment.

Mr Hampton: I don't believe we have any amendments in this section, although I will be voting for some of the amendments that Mr O'Toole spoke on earlier, because some of them clearly have merit. For example, the requirement that Ontario gasoline will "contain at least 5% clean-burning ethanol by 2007, rising to 10% by 2010" is certainly worthy of support, and, following that, also requiring the government to keep its promise to implement every recommendation of the Walkerton inquiry.

I think that is about it, unless I have missed something. That's it.

The Chair: Thank you. We'll move to the government.

Mr Colle: I have a couple of motions to move. Liberal motion 93: That the Minister of Finance consider reviewing Ontario's beverage alcohol system to determine if improvements in efficiency can be achieved to realize cost savings, improve service to consumers, and maximize revenues for the Ontario government. So moved.

I also want to move Liberal motion 86: That the Minister of Finance, in consultation with the Minister of Energy, consider launching a provincial energy conservation program aimed at business and the public to ensure reasonable electricity rates and a reliable power supply. I so move.

I think I have one more. No, that's it.

Briefly, we want to look at different ways of getting more cost savings and better service to consumers, certainly in the beverage alcohol system. As you know, the Minister of Consumer and Business Services, Mr Watson, has gotten great response on his innovative proposal to bring your own bottle to your favourite local restaurant. It's typical of the fresh, new innovative ideas we have in our government. Make sure your wine isn't fresh, though; make sure it's aged a bit before you go. Those are the kinds of things we want to have open discussion on.

Also, I know the Minister of Energy, with the parliamentary secretary, Donna Cansfield, is pursuing a comprehensive conservation program whereby we're going to engage in a partnership with business, with schools, with public institutions in terms of ensuring that we can save on exorbitant electricity usage, like we have in this committee room right now with all these lights turning up the heat, and then the heat's on at the same time. We've got to stop doing these crazy things, because there's only so much power and we can't afford to pay for the energy mess the previous government left us in. If you look at OPG and Hydro—we used to be the model for the world. We've become the laughingstock.

We are ready to move ahead and make the province a better place for everyone.

The Chair: Further comment?

Mr Wilkinson: Frankly, I was appalled and shocked when I read Mr O'Toole's motion 66. I happen to represent the largest rural riding in southwestern Ontario, and I cannot believe that Mr O'Toole decided to move this motion where he references agribusiness, the second-largest industry in this province, and says we're going to build upon the previous government's work with respect to welfare reform. I can't believe you would put welfare reform and agriculture in the same motion. I would think every farmer in Ontario is insulted that you would do that. There is no way I could show my face in Perth-Middlesex and vote for that motion.

1320

The Chair: Further comment? Hearing none, I will now move to the voting.

Motion 50: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, O'Toole, Wilkinson.

The Chair: Carried. We need time to record the vote.

Motion number 64: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Mr O'Toole: Mr Chair, some clarification on this one, motion 66. Not being the actual scribe or writer of this motion and not to question the great work done in welfare reform, but I don't see where the relationship exists. Whoever wrote this sort of has an ideological time warp going on here.

The Chair: Do you want to withdraw?

Mr O'Toole: I'll withdraw this motion.

Mr Barrett: I'm not sure we need to withdraw the motion, but I think the word "welfare" has been inadvertently inserted in a motion that deals with food safety and food quality. I would think that's an honest mistake.

The Chair: You'll have an opportunity to vote—

Mr O'Toole: Just take that out.

The Chair: —so we'll call the question.

Mr O'Toole: Excuse me, Chair.

The Chair: Do you want to amend it?

Mr O'Toole: With your indulgence, we will amend it, and I will amend it by saying "the previous government's work with farm organizations, food processors," whatever, to ensure the highest quality. Take the "welfare" line out from "previous government's work with ... farm organizations, food processors and the federal government." Just take the "respect to welfare reform and" out. That's what I move as an amendment.

Mr Colle: On a point of order, Mr Chair: The motion is before us, and it was filed back on February 12. The filer of the motion had an opportunity for the last month, and I would certainly like to be on record as opposing the intent of this motion. I would like to vote on it as is.

Mr O'Toole: I seek unanimous consent to amend this motion—

Mr Colle: No. Denied.

Mr O'Toole: —as suggested by Mr Wilkinson.

The Chair: Is there unanimous consent to amend the motion? I heard a no. Now we'll put the question.

Mr O'Toole: I move that we withdraw this motion.

The Chair: The motion is withdrawn.

Mr Colle: Let it be noted on the record that the motion was filed on February 12, is totally opposed by the members of the government, and is totally inappropriate.

The Chair: That's not a point of order.

We'll move to motion number 67. All those in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Mr Hampton: This next motion is a Liberal motion, but it looks like old Conservative-speak.

The Chair: Motion number 93: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

Nays

Hampton.

The Chair: The motion is carried.

Motion number 60: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 61: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 86: All in favour? Carried.

Motion number 20: All in favour? Opposed? The motion is defeated.

Motion number 62: All in favour? The motion is carried.

Motion number 63: All in favour? The motion is carried.

Now we will be working with group five from pages 42 to 59, inclusive. These motions pertain to health. Just a moment, please.

In your package you will note in group five a heading of "Health," where it says to cede motion 8.

Interjection.

The Chair: You have it in your hand there.

Mr O'Toole: Oh no, I got it from legal staff or research or whatever.

The Chair: All right. I will explain, then. We can make copies of it, if you like. However, I will explain.

Motion number 11 on page 43 is also contained in motion 8, which was previously passed. Motion number

49 on page 52 also contains issues that were passed in motion 8 previously. Motion 40 on page 53 also contains items that were passed in motion 8 previously. Motion 69 on page 54 also is contained within motion 8. Motion number 41 on page 55 is also contained in motion 8. Motion 42 on page 56 has information also contained in motion 8.

Now, motion 8 is at the back of your package, where we explained this morning on motions that were previously passed or withdrawn.

We'll go through each of the motions in group five, but be reminded that part of the motions you're dealing with now may be contained in motion 8. We'll begin with the official opposition. You might want to state the motions.

1330

Mr Barrett: I'll state the motions. PC notice of motion number 51, found on page 42: Despite the recent appointment of a new chief medical officer of health, the standing committee on finance and economic affairs recommends to the Minister of Health and Minister of Finance that the government keep its promise to "make the chief medical officer of health an independent officer, rather than a government appointee." I so move. This was submitted on February 12.

Page 43 is covered by motion 8, as I understand.

The Chair: Part of it may be covered, but not all of it—

Mr Barrett: I await your direction.

The Chair: —and motion 8 has been moved prior.

Mr Barrett: Mr Klees has made this motion on page 43.

The Chair: Just to maybe give a little more guidance, parts of these motions are contained in motion 8, but not everything that was spoken to in those motions may be in motion 8. I'm simply reminding the committee that you passed motion 8 and you have motions before you that may contain similar concerns, just so you can decide on how you're going to vote, because you voted for motion 8, which does have some of the components of each of the other motions I mentioned. I would think we should probably have them put on the record, that you read them.

Mr Barrett: We know that this one, number 11, is already on the record. This particular motion, with respect to Cheshire Homes, was moved on January 29 by Mr Klees. So would we leave it at that rather than read it?

The Chair: Yes, we'll leave it as moved.

Mr Barrett: OK. Just skipping over to page 47, there is a PC motion, number 19. This was moved by Mr Flaherty on February 9, making reference to some initiatives from the Peterborough County Medical Society.

On page 48 we have an opposition motion, number 45: That the standing committee on finance and economic affairs recommend to the Minister of Health and the Minister of Finance that the government keep its promise of "opening 1,600 (new hospital) beds" and allocate the necessary funding as part of the 2004-05 provincial budget. This was submitted on February 12.

Page 49, PC motion number 47: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government build upon the announcement from the 2003 provincial budget to provide funding to hospitals on a three-year basis and keep its promise to "bring stability to our hospitals by providing adequate multi-year funding" as part of the 2004-05 provincial budget. That was submitted on February 12.

PC motion number 21: Mr Klees made a motion on February 9 with respect to MRI and CT.

PC motion number 43: That the standing committee on finance and economic affairs recommend to the Minister of Health and the Minister of Finance that the government keep its promise to "expand MRI and CT services in the public system" as part of the 2004-05 provincial budget. That was submitted on February 12.

On page 52 there is a PC motion, number 49, which I assume was covered in part by motion number 8. This has not been read into the record. I move that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government build upon the previous government's success of increasing medical school enrolment by 30% and keep its promise to "increase medical school spots by 15%" and provide funding for those spots as part of the 2004-05 provincial budget. That was submitted on February 12.

PC motion number 40, we understand, is covered in part by motion 8: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "hire 8,000 new nurses" and provide appropriate funding for these positions as part of the 2004-05 provincial budget. That was submitted on February 12.

On page 55 there is a PC motion, number 41, which we understand is covered in part by motion 8: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "fund more positions for nurse practitioners" and provide appropriate funding for these positions as part of the 2004-05 provincial budget; and that the government commit to provide nurse practitioners with an OHIP billing code. That was filed on February 12.

Page 56, motion number 42: That the standing committee on finance and economic affairs recommend to the Minister of Health and the Minister of Finance that the government ensure that there is a full-time position for every nurse in Ontario who wants one, and provide appropriate funding for these positions as part of the 2004-05 provincial budget. That was filed on February 12 and is covered in part by motion 8.

Page 57, PC motion number 44: That the standing committee on finance and economic affairs recommend to the Minister of Health and the Minister of Finance that the government keep its promise to "set and meet maximum needs-based waiting times for (health) care" and guarantee that each patient will receive treatment within that time as part of the 2004-05 provincial budget. That was submitted on February 12.

Page 58, PC motion number 46: That the standing committee on finance and economic affairs recommend to the Minister of Health and the Minister of Finance that the government keep its promise to “improve the Ontario drug benefit program to ensure seniors get the medications they need” and abandon the punitive notion of increasing prescription fees for seniors. That was sent in on February 12.

The last one I have, on page 59, is motion number 48: That the standing committee on finance and economic affairs recommend to the Minister of Health and the Minister of Finance that the government build upon the previous government’s work to create a new college of traditional Chinese medicine and keep its promise to “enhance protection for Ontarians who use non-traditional medicine by regulating traditional Chinese medicine practitioners.” That was submitted February 12.

The Chair: Comments? You have what’s remaining of 20 minutes.

Mr O’Toole: I appreciate Mr Barrett’s moving those because, as he pointed out very clearly, we responded on January 29 to a passionate presentation made that day by health care providers. I believe it was carried, and I compliment the government for listening to the opposition and the third party, which has worked along with us to achieve a couple of these things. I think that most of these things are just restating the commitments that are outlined in number 8.

But yesterday, and some other times, I’ve been moderating, and I met with the CUPE people from the health care sector last Friday and with ONA, the Ontario nurses—not just Doris Grinspun but others from my riding of Durham. The alarm out there on Bill 8—I sat in for the clause-by-clause yesterday. It was a despicable, draconian, mean-spirited, wrenching, horrible piece of legislation. I can’t think of any more superlatives to make the point.

Mr Colle: You should know.

Mr O’Toole: You will perish. This is your bill. Let’s not be smart with small quips, Mr—whoever you are. I’m just trying to say—

Interjection.

Mr O’Toole: You can call it whatever you wish, but this is your drafted legislation, Bill 8, which actually guts the health care system. You say some of these motions in here talk about—

Interjection.

Mr O’Toole: It does. You haven’t read it. In fact, Mr Smitherman in his press release yesterday—forgive me, Mr Clerk—lied in the press release.

Interjections.

Mr O’Toole: In fact, that press release was refuted in committee—

Mr Colle: Mr Chairman.

Mr O’Toole: I’ll reconsider that. I’ll withdraw the word. I think if he believes—

Mr Colle: Mr Chairman, I think there should be a formal withdrawal of that. It’s not a parliamentary word.

The Chair: I heard him withdraw it.

Mr Colle: Which comment did he withdraw?

The Chair: The word “lied.”

Mr O’Toole: The word “lied.”

I think Mr Smitherman was fiddling with the truth on that sucker. That press release yesterday was absolutely in your face. Read the clippings this morning. The OMA are happy, because they don’t want to upset the applecart. The doctors are now in negotiation on the fee schedule. The OHA, the Ontario Hospital Association, Hilary Short, are so ticked.

1340

Mr Colle: Mr Chair, what does this have to do with what’s before us?

Mr O’Toole: This is about health care. Mr Colle, you don’t care about health care.

Interjection.

Mr O’Toole: He doesn’t care about health care. Mr Colle and Mr Crozier don’t care about health care. That’s what I hear them saying. That’s what I hear them saying right now, and they can speak for themselves. I won’t impugn any more motives.

Mr Crozier: Chair, I can speak for myself.

Mr O’Toole: And you probably will.

Mr Crozier: I didn’t say I didn’t care about health care, and I don’t like anybody insinuating what I do care about. You stick to your feelings and your words, and I’ll stick to mine.

Mr O’Toole: If you support anything in this—

The Chair: Order. If you bait the fish, they will bite.

Mr O’Toole: Exactly, and they have.

One thing that really would be good business, respectfully, would be to follow up on motion 11, page 43. We heard from Cheshire Homes in London that a complex continuing care bed in hospital is about \$150,000 a year—Mr Wilkinson would remember that—and that they could do it in the community for about \$60,000. There’s a tool. We’re actually putting forward in a micro way some mechanism of providing better service at less cost. I hope you’ll support that one.

Mr Colle: We appreciate your help.

Mr O’Toole: We’re here to help.

You talked about providing some of these alternative care things. I can tell you right now, Bill 8—I’m going back to it for a reason. They talk in there about service and service providers and the ability to claw back, and indeed if they don’t agree with what the minister says, to fine them. You’re talking about these alternative practitioners who aren’t today regulated under the Regulated Health Professions Act. You had better walk carefully, because really what you’re doing is you’re going to micromanage the OHIP fee schedule.

Mr Colle: I have faith in George.

Mr O’Toole: I’ll leave that on the record, that Mr Colle believes he’s doing the right thing on Bill 8. So I’ll leave it at that. That’s why this part of the debate is probably the most important, because 50% of your budget is health care. I like the word “innovation.” I like the words “recognizing the role of nurses,” “distance health”—

Mr Colle: You never did it for eight years.

Mr O'Toole: Of course we did, on foreign-trained physicians, foreign-trained professionals. I'm disappointed that there are no Liberal motions in here to actually take action to improve the innovation in health care.

Thank you for your attention to this matter.

The Chair: Further comment? Hearing none, we'll move to the NDP. Mr Hampton, 20 minutes.

Mr Hampton: There are some NDP motions, some of which were moved already, but I want to speak to those.

First of all, NDP motion 26, which I believe is partially contained within PC motion 8, reads: That the standing committee on Finance and Economic Affairs ask the Minister of Finance to include the Premier's commitment to assist seniors by using the first budget to resolve the underfunding of community support agencies by increasing the base funding by 25% for the Ministry of Health and Long-Term Care; and that this funding be included in the 2004-05 budget in order that the government can live up to the commitment in the first budget as promised. I note that that was moved on February 11.

Finally, Mr Prue filed a motion on February 24, which is NDP notice of motion 74, and I move: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its financial year 2004-05 budget, reverse the Conservatives' 15% increase in long-term-care rates and begin to bring Ontario's per capita funding for long-term care up to the national average. This would constitute a meaningful first step in implementing promises made in the Liberal 2003 election platform to first reverse the Conservatives' 15% increase in long-term-care rates and to improve standards of care for long-term-care residents. This would cost approximately \$260 million a year.

Then I believe there is notice of motion 69, filed by Mr Prue on February 24, 2004. I move: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government allocate sufficient funds to hire a minimum of 2,000 new nurses in its fiscal year 2004-05 budget. This would cost approximately \$100 million and would constitute a meaningful first step in implementing the Liberal 2003 election promise to hire 8,000 new nurses. I believe that is it.

The Chair: I want to correct—maybe I stated it, and if so, it's not correct. Motion 26 by Mr Prue is not contained in motion 8 but rather the one before that, motion 11, just so you know that.

Mr Hampton: Good. Thank you for that.

I now have the opportunity to speak to these. First of all, I want to speak to the issue of 2,000 nurses. To quote from the Liberal election platform, "We will hire 8,000 new nurses. Our strategy will include the creation of more nursing school spaces and recruitment of nurses who have left the profession or left the province under Harris-Eves." I merely encourage the Liberal members of the committee to vote for what you ran on during the election. This is a modest step. It's not 8,000 at once; it's

2,000 a year for four years. According the Ontario Nurses' Association, the cost of hiring each nurse is approximately \$50,000; therefore, the cost of hiring 2,000 new nurses is \$100 million. I hope the Liberal members of the committee will support this motion. After all, it does speak directly to your election platform, and I would regard it as a minimum first-year down payment.

Then there is motion 74, long-term care. Again, I want to quote from the Liberal election platform: "We will make nursing homes more affordable for seniors by rolling back the unfair 15% fee hike brought in by the Harris-Eves government." We will provide funding to "increase standards of care in our nursing homes and ensure those standards are maintained through proper inspection," again a quote directly from the Liberal election platform.

We've had some discussion with folks in the ministry, who tell us it would take \$420 million, first of all, to get Ontario's long-term-care funding to the national average, so \$210 million represents the first of two instalments to get per capita spending up to the national average. Then \$50 million is needed to reverse that part of the 15% rate increase that has already been implemented; the Conservatives indicated that they wanted a three-year phase-in period. Therefore, the minimum investment required—minimum—to start to meet your election commitment is \$260 million this year. As I say, it's a minimum standard.

I would strongly recommend that the Liberal members of the committee support your own election platform, even in a minimalist form.

The Chair: We'll move to the government.

Mr Colle: I move Liberal motion 87: That the Minister of Finance, in consultation with the Ministry of Health, examine community health centres and family health networks as ways of delivering limited health resources better and improving access to health care delivery in the community as part the government's strategy to reduce costs, increase efficiencies and encourage preventive medicine in Ontario's health care system.

1350

Mr Chairman, we think there is time for innovation, and we had some very good presentations in Ottawa and Toronto about the need to get out of the silos of health care that exist now. We need to be innovative, we need to emphasize prevention. The previous government basically left all those things off the table. They closed hospitals, spent money on consultants; no innovation; huge deficits in medicine; doctor shortages. I think the new Minister of Health is on the way to fixing a lot of these, and he's not going to make some of the people happy who are protectors of the status quo. We support the minister as he tries to make our system better for all. Many of these motions are not to be supported, I think, because they direct the Minister of Health, and this committee is not charged with directing the Minister of Health. But there are a couple of these motions that I think are worth supporting and we should move on.

Mr Wilkinson: I just wanted to speak briefly on motion 11 for Mr Klees and note for the record, of

course, that much of what he recommended was contained in motion 8, which was carried by this committee.

Specifically, I have concerns with number 11. I know Mr O'Toole referenced the presentation by the Cheshire Homes people. I have a personal affinity because my father was one of the founders of the Cheshire Homes in Belleville, so I grew up in a home where this was important. Prior to the election, I had been invited to go and visit with a resident in Stratford who was with Cheshire Homes London. I was actually able to go just last week and meet with a young man, a remarkable man, Shawn Clarke, who is a paraplegic, and also Judi Fisher, who is the executive director of Cheshire Homes London at 42 Campbell Court. I didn't know—and I have lived in Stratford for 25 years—that in this large apartment building there were six units where people were living who had various forms of disability—paraplegic, quadriplegic; that the building, because of the owner, had been retrofitted; and that these people were living on the floors completely independently, plus of course the support workers, who also had an apartment in the building so they could provide that 24/7 coverage. Just wonderful.

But it's interesting that in the proposal in front of us the question was that it would be cheaper to be in a Cheshire Home than to be in a hospital, and that is correct. But they also outlined to me, to be clear, that the alternative for most people has to do with whether or not they're in a long-term-care facility with seniors. Here's a young man, Shawn, who would be in a nursing home with seniors and instead he has a very independent life. It actually is more money for him to be in this independent unit than it would be in a long-term-care facility, so I just want to correct the record on that.

Moving forward with that, many of us on this committee discussed the matter with the Minister of Community and Social Services, and I was very happy to hear today that Minister Papatello announced more money for people with developmental disabilities so they can have community living. We're providing \$14 million in capital and another \$10.3 million in operating funds to create 178 new living spaces across the province. It's actually going to fund 44 projects right across the breadth of Ontario. I think a lot of that is because many of us on our committee, struck by that presentation, went directly to the minister to plead that case.

Mr Colle: She listens, that minister.

Mr Wilkinson: She did listen to us and, I think, listened to the spirit of motion 8. But, as a result, I just want to be clear that I will be opposed to motion 11, because I believe the work we need to have done has been done.

The Chair: Further comment? Hearing none, we'll move to the vote.

Motion 51. All in favour? Opposed?

Mr Hampton: Hang on.

The Chair: We'll wait. All in favour?

Mr O'Toole: Recorded vote.

Ayes

Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Oraziotti, Peterson, Wilkinson.

The Chair: The motion is defeated.

Motion number 11: All in favour?

Mr O'Toole: Recorded vote.

Ayes

O'Toole.

Nays

Colle, Crozier, Marsales, Oraziotti, Peterson, Wilkinson.

The Chair: The motion is defeated.

Motion number 26: All in favour?

Mr Hampton: Could I ask you to read the motion just so I'm sure I'm in the right place here?

The Chair: It's on page 44, motion number 26.

Mr Hampton: I want a recorded vote on this, please.

Ayes

Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Oraziotti, Peterson, Wilkinson.

The Chair: The motion is defeated.

Motion number 74.

Mr Hampton: Recorded vote.

Ayes

Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Oraziotti, Peterson, Wilkinson.

The Chair: The motion is defeated.

Motion number 87: All in favour? Carried.

Motion number 19: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Oraziotti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 45: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 47: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 21: All in favour?

1400

Mr O'Toole: Recorded vote.

Ayes

Barrett, Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Orazietti, Peterson, Wilkinson.

The Chair: The motion is defeated.

Motion number 43: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 49: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 40: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 69: All in favour?

Mr Hampton: Hang on. Just wait.

The Chair: Page 54, motion number 69. All in favour? Opposed? The motion is lost.

Motion number 41: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Orazietti, Wilkinson.

The Chair: The motion is defeated.

Motion number 42: Those in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Orazietti, Wilkinson.

The Chair: The motion is carried. I correct myself; the motion was defeated.

Motion number 44: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 46: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Mr O'Toole: Just before we move on that full section, I was just wondering: What's the status now of motion 8?

The Chair: We have one more vote to go through.

Clerk of the Committee: Motion 8 was passed.

Mr O'Toole: Where does it stand in terms of it being part of the full report, because it did occur during the public hearings and in full debate? I'm trying to clarify that.

Clerk of the Committee: I guess legislative research is going to try to reword it in such a way that the recommendation in the report will reflect motion number 8 and not these other motions.

Mr O'Toole: Will it be incorporated into the report?

Clerk of the Committee: It will be attached to the report. Recommendations are part of the report.

The Chair: We have one more vote. Motion number 48: All in favour? Opposed? Defeated.

We'll move on to group 6, which will be pages 60 through 69, inclusive. For the committee, this group 6 has motions that contain democratic renewal, community safety and correctional services, consumer and business services, labour, Management Board Secretariat, natural resources, northern development and mines, and post-secondary education and training. We'll begin with the—

Interjection.

The Chair: Pages 60 through to 69, inclusive. We'll begin with the official opposition.

Mr Barrett: Mr Chair, on page 60, PC notice of motion number 68, I move that, despite the track record displayed during these pre-budget consultations, the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep their promise to "make sure all non-cabinet MPPs are free to criticize and vote against government legislation, with the exception of explicit campaign promises and confidence matters." That was filed February 12.

The Chair: I'm going to rule that this motion is out of order. It doesn't deal with the financial matters of the province.

Mr Barrett: We are considering government legislation, Chair.

The Chair: Financial matters. This does not speak to finances; it just suggests that MPPs be given free will.

Mr Barrett: I know we're leading up to a budget bill, which is legislation; however, it has been ruled out of order. The clerk would have no more knowledge about that than I would.

The Chair: I've ruled it out of order.

Mr O'Toole: You're really basically ruling out of order any free votes, the way I read this.

The Chair: Please continue.

Mr Barrett: On page 61, PC notice of motion 54: I move that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "put 1,000 new officers on the street" and provide the appropriate funding as part of the 2004-05 provincial budget. This was submitted on February 12.

PC motion number 55: I move that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "hire an additional 100 parole and probation officers" and provide appropriate funding as part of the 2004-05 provincial budget. February 12.

PC motion number 56: I move that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government give people the power to put their phone numbers in a non-telemarketing registry and prohibit telemarketing companies from calling anyone on that list, and provide the appropriate funding as part of the 2004-05 provincial budget. A February 12 submission.

PC motion number 33: I move that the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "support an audit of the effectiveness and cost of WSIB operations" to identify improvements in the program that will benefit both SMEs and workers as part of the 2004-05 provincial budget. A February 12 submission.

Going down to page 68, there was a motion made by Mr Hudak on February 5th with respect to the northern Ontario heritage fund that would be recorded in Hansard.

1410

The Chair: You have the time left remaining in the 20 minutes for a comment.

Mr O'Toole: This is a broader collection, a collage of issues, but I think the most important one that I just want to spend a couple of minutes on, to reinforce the Management Board's Mr Phillips, whom I have a lot of respect for—he was on this committee for many years, and knows full well that there was no deficit that wasn't known, if there was one.

I just want to refer again to the government's own document here on free collective bargaining. I know Mr Hampton will probably want to say something on this too. I've said it before and I'll say it again, this is quoting from this book—

Mr Hampton: Another one bites the dust.

Mr O'Toole: Yes exactly, eight—"So we're asking our partners in health care, in education and in the rest of the broader public sector to temper their requests for more. We're asking them to bring forward new ideas to ensure the long-term sustainability of public services that they work so hard to provide."

I guess there's really a mixed message here. The public sector is being told to hold the line, while at the same time, we're in here trying to, under those two motions that Mr Barrett read—and we'll see how the vote turns out on that. But the current settlement with the Ontario community colleges is a good example of actions speaking louder than words. I don't know just how the government's going to actually handle that because it looks to me like, when they allowed those increases to occur, they really gave a signal to cut classes or increase class size. Unless you're going to give them more money; that's the only way they can do it. More money, I guess, is going to be piled on to the additional tax base.

Also, Mr Prue moved one here on post-secondary education tuition. There's been a lot in the paper on how graduate school tuitions are just going through roof. My oldest son has just finished law school. I know some of the students in attendance here will likely be attending law school—at least that's my understanding. I don't like to mention names. You'll have to speak to the clerk here to see if there are any raises coming forward because the tuition is going up under this government. There's no question about it. They say "tuition freeze" in one language. They don't talk about the real consequence for students.

Interjection.

Mr O'Toole: No, we allowed the deregulation of fees. Mr Colle is now reinforcing the idea that it's going to be eight years of taxes. I put to you, it's going to be four years, because you'll be in government for four years and, in that time, you'll have increased taxes and increased spending. The people know better.

That's really all I have to say. We'll relinquish the rest of our time because I know the government members aren't listening. They're out having coffees and various things.

The Chair: Further comments? Hearing none, we'll move to the NDP.

Mr Hampton: I have a couple of motions which I want to put before the committee. First of all NDP motion number 52: That the standing committee on finance and economic affairs recommend to the Minister of Finance and to the Premier—

The Chair: This has already been moved, Mr Hampton, so it's on the record.

Mr Hampton: Oh, it's already been moved. Then I just want to repeat it so that everybody knows what it is.

—that the new government reiterate its commitment to be fair to the members of the Ontario civil service;

By clarifying that the government supports free collective bargaining;

By not legislating unfair and unjust working conditions and pay schedules upon its civil servants;

And further that this commitment be stated in conjunction with the announcement of the 2004-2005 budget.

Next is the NDP notice of motion number 78, filed by Mr Prue on February 24: I move that be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that, in his 2004-05 budget, the government allocate sufficient funds to allow for “good faith” bargaining with our public sector partners.

Notice of motion number 76, filed by Mr Prue on February 24, 2004: I move that be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its financial year 2004-05 budget, freeze all regulated and deregulated college and university programs as well as ensure that base funding is sufficient to compensate for the tuition freeze and to keep pace with inflation and enrolment growth. These commitments would cost approximately \$250 million and would constitute a meaningful first step in implementing Liberal promises made during their 2003 election platform to freeze all college and university tuition fees and provide adequate funding to our colleges and universities.

I'm trying to help you implement your program.

Finally, NDP notice of motion number 70, filed by Mr Prue, February 24, 2004: I move that be it resolved that the standing committee—have I jumped ahead one? This is notice of motion number 70. Am I jumping ahead on this? Sorry. I think I've jumped ahead.

The Chair: Number 70 is in the next group.

Mr Hampton: That's right. I'd like to speak to those resolutions briefly. First of all, to notice of motion 76, let me just refer once again to the commitments given by the Liberals during their election campaign. This is a quote from the Liberal platform: “We will immediately freeze college and university tuition for at least two years.” That was in the Liberal election platform, and I know it was repeated several times by Liberal candidates and by the now Premier himself.

We've spoken with OCUFA. We've also spoken with a number of other people who have expertise in this area. The cost of compensating for the tuition freeze is approx-

imately \$175 million, while an additional \$75 million is required to keep pace with inflation and enrolment growth. Therefore, this will require an investment of \$250 million this year. Since I want the Liberals to keep their election commitments—otherwise, why would they have made these promises?—I urge all Liberal members of the committee to support this motion.

There's the motion, bargaining in good faith, and I simply want to refer to Mr McGuinty's comments made many times before the election that a Liberal government would value the public service, would value the work, the contribution, the efforts of the public service. I would think that at a minimum, that means bargaining in good faith and it means ensuring that there is revenue support for that bargaining position.

I think that covers what I wanted to address at this time.

The Chair: We'll move to the government.

Mr Colle: I just want to move Liberal motion number 91: That the Minister of Finance, in consultation with the Ministry of Natural Resources, consider lifting the moratorium on the “community conservation lands” category of the conservation land tax incentive program in accordance with the current proposal from the Ministry of Natural Resources so that agreed categories of land owned by land trusts are eligible for property tax relief, thus recognizing the importance of preserving ecologically significant lands for future generations. I so move.

1420

This is something that will encourage non-profit conservation organizations across this province that are doing an amazing job of conserving fragile ecological land, so they won't be punished with punitive property taxes. We're looking for the minister to consider this.

Just a few comments on the other motions. Again, the Minister of Training, Colleges and Universities was very emphatic when she did freeze tuitions; they have been frozen. I know there's not agreement on the other side about that, but they've been frozen.

Secondly, bargaining in good faith: Again, we've seen that we bargained and are bargaining in good faith with our community college teachers. Difficult things are going on, but we're trying to do the best we can given the disaster left to us by the eight years of tax cuts and spend-and-slash by the previous government. So we're moving ahead but we can't do it all in four months.

Mr Wilkinson: Specifically, I want to address my comments to motion number 56. I think we are all plagued by telemarketers who we would rather not call us, and I understand the spirit of the motion. Unfortunately, in my opinion, it really has nothing to do with the finance ministry and it really isn't appropriate for this committee.

What I really found, following Mr Colle's line about the road to Damascus running through Queen's Park and perhaps the Progressive Conservative caucus, is that it's amazing that motion number 33 was actually introduced and filed by Mr Arnott with a straight face and read into the record today by Mr O'Toole. It really is calling for

major shakeups at the WSIB, which they have been running for the last eight years.

I'm glad to say that we think that change actually is working. That's why we're proud to support that. To think, in regard to Mr Wright's expenses, we find from a freedom-of-information request that he hired Jeff Bangs, whom all of us know as a Conservative political organizer, that he hired his wife, Karen Gordon, for \$85,000 a year for two days a week worth of work. Now, there's a job to have.

So I am supportive of the fact that the opposition actually sees the light, and I think we are really looking forward to supporting that motion here today. I'm sure we'll have a recorded vote on that, if we could just have that.

I do have some concern with motion number 76. It was filed by Mr Prue, and although we agree with the intention, given the fiscal situation that we've inherited, it is very important for our government to be prudent. I think that's why we've called, with Minister Chambers, for the freeze. But to tie the hands of the Minister of Finance in this regard—we leave it up to his good judgment as to how to make sure that we ensure post-secondary is affordable. I was at Loyalist College in Belleville just last night for the dedication of a new lecture hall to my father. It was a moving experience for me. The commitment we have to post-secondary in this province is crucial, particularly colleges, so that we get the skilled workers that our economy needs and deserves.

The Chair: Further comment? Hearing none, we'll move to the vote.

Motion number 54: All in favour? Carried.

Motion number 55: All in favour? Carried.

Motion number 56: All in favour? Those opposed? The motion is defeated.

Motion number 33: All in favour?

Mr Wilkinson: Recorded vote.

Ayes

Barrett, Colle, Hampton, Marsales, Oraziotti, O'Toole, Peterson, Wilkinson.

The Chair: The motion is carried.

Motion number 52: All in favour? Carried.

Motion number 78: All in favour? Carried.

Motion number 91: All in favour? Carried.

Motion number 17: All in favour? Carried.

Motion number 76: All in favour? Those opposed? The motion is defeated.

Now we go to group 7, which is the remainder of your package, pages 70 to 81 inclusive. The headings for this grouping are "Municipal Affairs," "Tourism" and "Transportation." For those who might want more information about this, Municipal Affairs is on pages 70 to 77 inclusive, Tourism is on page 78 and Transportation is on the last three pages, 79, 80 and 81. We'll move to the official opposition.

Mr O'Toole: Motion 58, moved on February 12: That the standing committee on finance and economic affairs

recommend to the Minister of Finance that the government keep its promise to "establish a seamless, integrated ticket system that will allow users to move easily across the GTA using only one ticket," and provide the appropriate funding as part of the 2004-05 provincial budget.

Number 59 was moved on February 12: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government keep its promise to "make transit passes a non-taxable benefit, so people who receive passes from their employers will no longer have to pay taxes on this benefit," and provide the appropriate funding as part of the 2004-05 provincial budget.

Motion 70: I'll leave that for Howard.

Motion 92: I'll leave it for Mike. Motion 90, for Mr Colle. Motion 72, for Mr Hampton. Motions 88, 89. Motion 16—

The Chair: This one has been moved by Mr Klees prior.

Mr O'Toole: OK. What this one here is talking about is the hotel levy. I guess we can discuss that.

PC motion number 12, moved on January 29—

The Chair: This was also moved prior.

Mr O'Toole: OK. This was to do with the Chair, Mr Hoy, paving the shoulders and that on Highway 401.

PC motion number 13, moved January 29: Do I have to read this one?

The Chair: No, it's been moved.

Mr O'Toole: It's been moved, OK.

The last one is motion 57, moved on February 12: That the standing committee on finance and economic affairs recommend to the Minister of Finance that the government support trade with the United States by keeping its promise to "invest in necessary highway and road improvements to ensure adequate access to critical border trade links, starting with Windsor, Niagara and Sarnia," and provide the appropriate funding as part of the 2004-05 provincial budget.

Thank you for listening to those motions moved by this caucus. Public transit is an extremely important one. I'm going to take a very brief time because we've moved with a great deal of co-operation here this afternoon. On the integrated transit pass, I think Mr Colle would probably have a lot to say on this, and I certainly would. In Durham region, having an integrated system within the GTA would be the ideal point, but certainly a starting point, if some of these amendments could serve as advice, would be to integrate the passes by region. Some regions have already initiated those actions. I think York region has, but I'd like to see it done in Durham.

1430

Also, on the commitment mentioned in the NDP motions with respect to the gas tax, I'm anxious to see what the budget says there. There's a lot of anxiousness here in Toronto with the TTC, and certainly GO Transit and other transit users. This should all be one part of the same solution; that is, the gas tax should be used for those municipalities that want to integrate the system first. That's where the annualized operating efficiencies

will come from. The capital needs to be a three-party partnership between the federal, provincial and municipal governments, specifically starting with the TTC. The Toronto Transit Commission's on record as saying they need in excess of a couple of billion dollars. They need federal, provincial and municipal money. We do need a strong Toronto and, first of all, a strong integrated transit system where we make sure the capital infrastructure is maintained.

I'll be supporting the motions, whether they're from the NDP, the Liberals or the Conservative members, because I believe transit makes life easier for people from all income levels and it improves the environment, the air. It is the way to go.

Affordable housing is mentioned as well by Mr Prue, so maybe I'll let them speak on that.

The last one I want to talk about is motion 89, I think it was, a Liberal one. It's really assessment. I'm not sure whether this is going to go on the record, but we talked at length about the trailer park tax issue. That is a big issue.

Mr Hampton: Retroactive.

Mr O'Toole: Yes, retroactive tax. Just the word scares me. The term "retroactive tax" should be struck from the vocabulary of politicians.

Just by looking at the history—I have quite a file on this trailer park tax issue. When Mr Sorbara signed the regulations in late October—I'm not even sure he was the Minister of Finance; I guess it had not been announced. But he signed it, put it into law. Now, you're going to say he did remove the third year of retroactivity, but it is a serious problem for the current year, 2002-03 and 2003-04, and then going forward. I'm confident that Mr Colle and others listened. There were great deliberations.

There is in a motion further on—I'm going to seek clarification. This is PC motion 1, moved by Tim Hudak on January 27. With your indulgence, I'm going to read it again:

That the standing committee on finance and economic affairs endorse the notion of a tag/sticker program for seasonal recreational vehicles as per the presentation from Sherkston Shores campground;

That the committee shall also direct—or no, ask—the Minister of Finance to stop this government's policy of retroactive taxation, and furthermore place a moratorium on the collection of property tax from owners of recreational vehicles and campground owners until such time as the matter surrounding property tax on recreational vehicles has been resolved.

With your indulgence, I'm going to reintroduce that one. It was dealt with but sort of skipped over here in the bundle. We did have a huge amount of talk on it and on PC motion 3, also moved on January 27. I'll move it again:

That the Ministry of Finance, the Ministry of Municipal Affairs and the Municipal Property Assessment Corporation submit their views on the Sherkston Shores campground's request to the standing committee on finance and economic affairs by Friday, February 13, 2004.

It was defeated because of the date; we argued about it—Mr Colle and others—for a long time. In fact, Liberal motion 4, which was carried, should be part of this whole group, because it did carry. I'm going to clarify. I'll read it because it's already carried, and it isn't referred to here. This is moved by Mr Colle:

"That the requests from the Sherkston Shores campground for the introduction of a tag/sticker program on recreational vehicles and the Minister of Finance to stop the current policy of assessment be referred to all affected municipalities, especially the city of Sarnia, the Ministry of Municipal Affairs, MPAC and the Ministry of Finance for their comments; and

"That these comments be forwarded to the standing committee on finance and economic affairs for consideration."

I know this issue was discussed at AMO, or the Good Roads, I guess it was.

Mr Wilkinson: ROMA.

Mr O'Toole: Good Roads and ROMA. I have resolutions from my own councils, because I have followed up with them. These resolutions more or less endorse the general principle re the retroactivity issue. You'll have to do it, I think. I'm not government, but I think you are trying to do the right thing on this. Going forward, find a fair mechanism so campground operators have enough time for the current season. If that isn't done hastily, you're going to miss the opportunity, because it all starts in May, basically. So for clarification of those things, there's an amendment on that. I'll leave it at that.

Assessment generally in agriculture is a big issue. We heard that a lot. It isn't in any of these motions I've seen, but we did hear it. Assessment on value-added activities like maple syrup—they're going to start taxing that as commercial. Can you imagine? The people who do that are living in operations where they're trying to add some value to the activity on the farm and quite often are not in good financial straits to now be taxed as commercial.

By the way, commercial as opposed to farm tax is three to four times the residential rate. So it's unaffordable. There are members here from all parties who are supportive of the agricultural community. They've got enough pressure on them right now, big time. Diversification, innovation on agriculture takes some patience with Mr Peters and others to find ways that aren't affecting the environment; wood processing on farms, if you will, whether it's making it into boards or logs or other wood products, is going to be viewed as commercial activity on farms and taxed as commercial.

Other activities on farms as well are going to change, whether it's storage of other crops or storage of apples, and things like that are going to be taxed as commercial activity. I can only speak for the agricultural operators in my riding. They aren't in a position, without further discussion, to deal with MPAC.

In a general sense, the whole MPAC thing, with some regret—

Mr Colle: It's a mess that you created.

Mr O'Toole: I don't think there's any perfect solution; we did try, and I think you're possibly right that we

did have nine bills on municipal property assessment. I concede to you that it isn't right. I wish you luck at trying to solve it, quite honestly. No, I do, because it's shifting the burden. You know that if a municipality wants to raise \$50 million and their assessment base is frozen—and in fact declining, because assessed values are going to raise the tax.

When you're moving it from one property class to another—ie, let's introduce the trailers here. I put to you, the simplest solution is introducing another property tax class. If you have trailers that are adding other weight on community services—we've got residential; we've got multi-residential. I would say seasonal recreational. That could be expanded in the definition to include "trailers," because I read the regulations on what the definitions are. It's regulation 282/93, I believe—it was in their government term when that regulation was passed—where they define "trailer."

But I think they could go in and do some fine-tuning. The structure's there, and it's all in the property classes. That's to deal with agriculture and on-farm practices, as well as recreational uses. The reason I say that is because recreational property users will now expect to dominate rural-municipal councils, and they'll try to shift all the burden back to some other group. You understand? It's been an exercise for years, and most of the persons here who have served municipally would know that multi-residential has traditionally been taxed at three and four times residential, but the renter doesn't see it. It's buried in their rent. Home tax, residential taxpayers see it, and Mr Oraziotti and others served on council.

You know that small business—and certainly, Mr Colle, you were on Toronto council when that whole property current value assessment argument came up. It was really shifting the load on to small business—the pizza and other smaller business operators.

I've spoken long enough, but I just think the assessment—I'm surprised we didn't move more amendments, but I would put it to the government that there should be a general review, as outlined by a couple of the motions that are on the table here, about MPAC, and the Ministry of Finance bringing forward some new legislative tools, I suppose, for MPAC, which isn't really here. I'm a little off topic, but it is covered in the property seasonal recreational.

Thank you for allowing me the time to speak on this topic.

The Chair: Thank you. A point of information on your presentation: The one motion you had talked about that was defeated, of course, will remain that way.

Mr O'Toole: Can it not be voted on again?

The Chair: No, it cannot.

The other motion that you cited that has been carried—staff are advising me that on the other motion you cited, motion 4, staff are still seeking some information from the deputant. That would be part of the report once it's all finalized.

Mr O'Toole: Number 4?

The Chair: Yes.

Now we'll go to the NDP.

1440

Mr Hampton: First of all, I want to move NDP notice of motion number 70, filed by Mr Prue on February 24. I move: Be it resolved that the standing committee on finance and economic affairs, in its final report, strongly recommends to the Minister of Finance that the government allocate one cent of the gas tax to municipalities for public transit in its financial year 2004-05 budget. This would cost approximately \$160 million and would constitute a meaningful first step in implementing the Liberal 2003 election promise to allocate two cents (or \$320 million) of the gas tax to Ontario's municipalities for badly needed public transit. That is the first notice of motion.

Then there is NDP notice of motion number 72, again filed by Mr Prue on February 24. I move: Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government allocate sufficient funds in its financial year 2004-05 budget to build 5,000 new affordable housing units. This would constitute a meaningful first step in implementing the Liberal 2003 election promise to fund 20,000 affordable non-profit housing units. This would cost approximately \$250 million.

Those are the two motions that I put before the committee now. I want to speak briefly to them, first of all on the motion dealing with the gas tax. Again, I want to quote from the Liberal election platform: "We will give two cents per litre of the existing provincial gasoline tax to municipalities for public transit. Fully implemented, this will generate an initial \$312 million per year, based upon 2003-04 numbers, an amount that will grow with the economy."

I know that many Liberal candidates repeated that promise verbatim across the province. We checked with AMO and we checked with large cities like Ottawa and Toronto, and they tell us that the estimate is that two cents of the gas tax would generate about \$320 million in 2004-05; therefore, one cent translates into \$160 million in fiscal year 2004-05. I hope that all Liberal members of the committee will support this motion. After all, it will start to implement a promise that you made during the election campaign. I think you should implement the whole thing this year. But as just a minimal step toward maintaining some level of credibility, you should at least implement half of it.

I'd like to speak to the issue of housing. Again, I'll quote from your election platform: "We will match federal support to create almost 20,000" affordable housing units. This is from the Liberal election platform.

We've checked with the co-operative housing association and we've checked with a number of the large municipalities. You calculated your election promise on \$12,500 per affordable housing unit. But when you check with the Co-operative Housing Federation of Canada, when you check with the large municipalities that know something about this, affordable housing cannot be put on the market for \$12,500 a unit; it will cost an absolute minimum of \$50,000 a unit—and I say absolute minimum. So basic, bare-bones: \$50,000 a unit. Therefore, at \$50,000 a unit, 5,000 affordable housing units this year

would cost \$250 million. That still falls far short of your election promise, but it's a minimal down payment to maintain some level of credibility on that.

I would hope that all Liberals on the committee would vote in support of this. It is, as I say, a minimal down payment on the promise you made in the election.

The Chair: We move to the government, and Mr Colle.

Mr Colle: I just have a couple of motions here. Liberal motion number 92: that the Minister of Finance, while recognizing the fiscal constraint of an inherited \$5.6-billion deficit in 2003-04 and a \$139-billion debt, take the first step to implement the government's commitment to transfer two cents per litre of the existing gas tax for use by municipalities to fund public transit during its term of office in the first budget. So moved.

Liberal motion number 90: that the Minister of Finance consider restoring long-term capital funding to municipal transit authorities. So moved.

Liberal motion number 88: that the Minister of Finance consider changing the Municipal Property Assessment Corporation's (MPAC) assessment cycle, which is currently only five months, and which provides little opportunity to make corrections to errors in assessments, to a longer assessment cycle which would provide a greater opportunity for property taxpayers to appeal or review their assessments in order to better serve property taxpayers. I so move.

Liberal motion number 89: that the Minister of Finance consider reviewing the provincial land tax on properties in unincorporated territories to encourage fairness in municipal property taxation. I so move.

I think that's it.

If I may, Mr Chair, these are some of the recommendations that were put forth to us as we travelled, like the one about the unincorporated territories. We heard from that very articulate councillor from Fort Frances about how this was a real problem, and we're asking the minister to look at that in terms of fairness.

Also, in terms of MPAC, as the member from Durham was saying, there are some very serious challenges with assessment. It's a very complex, convoluted system. We've inherited a lot of conflicting pieces of legislation in this area of property taxation. We are actively looking at these and we're trying to find ways of making the most complex tax system in the world a bit more reasonable. It's not going to be easy, but we're trying.

The long-term capital funding for municipal transit: As you know, this government essentially in 1997 walked away from funding municipal transit and in essence caused irreparable damage to the system because of the infrastructure deficit in repairing everything from buses to tracks to garages, not to mention the service to clients. So we have to get back into long-term capital funding to build the infrastructure. We are very anxious to start allocating part of the existing gas tax toward public transit. We are going to do it. We wish that with the stroke of a pen we could do it today, but certainly that's where we're going and we will initiate that, and

hopefully by our recommendation we'll help the minister to do that in this budget.

That's all I have to say.

The Chair: Further comment?

Mr Wilkinson: Further to the comments made by Mr O'Toole, I just want to report to the committee. I've been surprised, being a rookie backbencher, about the fact—there are issues that come that need to be dealt with, that are brought forward by the public. Mr O'Toole was talking about the question of the classification of farm property, particularly if there are value-added activities and particularly in regard to sugar bush and those types of questions. I think, because of the work of this committee, for example, there has been a great deal of work done by the ministry in regard to trying to come up with a fair system of assessing farm properties. I note that the Ontario Federation of Agriculture was here and requested that and noted that it would not cost the government anything, but it was a question of fairness. So I'm happy, as a backbencher, to be advocating for that, and that perhaps we can have changes that will clarify those rules.

I've been working diligently in regard to the trailer park issue. You're right, Mr O'Toole: It is a conundrum that this government has inherited, based on the property assessment system that we have inherited. By not having the kind of partisan approach that was brought to this committee by Mr Hudak when we were in Niagara Falls, but rather a more consultative approach that we've taken with people in that community—the campground owners, the trailer park owners, the municipalities; we heard clearly at ROMA, as a government, the municipalities' position on this—we're glad that we're able to work toward a consultative approach to try to take some of these issues off that are irritating, and of course devastating for some people in this province, and try to get those things resolved.

As a backbencher, being part of this process, being on this committee, it is encouraging to know that the things we do here are being noted by the Ministry of Finance, even on an ongoing basis while we've been busy working on this report. I appreciate the collegial comments that you've made on both of those issues, and hopefully we'll have a resolution of both of those contentious issues that all three parties can applaud.

1450

The Chair: Further comment? Hearing none, we'll move to the vote.

Motion number 58: All in favour? Carried.

Motion number 59: All in favour? Carried.

Motion number 70.

Mr Hampton: Recorded vote.

Ayes

Barrett, Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Oraziotti, Wilkinson.

The Chair: The motion is defeated.

Motion number 92.

Mr Crozier: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Wilkinson.

The Chair: The motion is carried.

Motion number 90: All in favour? The motion is carried.

Motion number 72.

Mr Hampton: Recorded vote.

Ayes

Hampton, O'Toole.

Nays

Barrett, Colle, Crozier, Marsales, Orazietti, Wilkinson.

The Chair: The motion is defeated.

Could we have quiet during the vote so that the table officers can hear?

Motion number 88: All in favour? Carried.

Motion number 89: All in favour? Carried.

Motion number 16: All in favour? Opposed?

Interjections.

The Chair: I'm going to call the vote again. All those in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Hampton, O'Toole.

Nays

Colle, Crozier, Marsales, Orazietti, Peterson, Wilkinson.

The Chair: The motion is defeated.

Motion number 12: All in favour?

Mr O'Toole: Recorded vote.

Ayes

Barrett, Colle, Crozier, Hampton, Marsales, Orazietti, O'Toole, Peterson, Wilkinson.

The Chair: Motion 13: All in favour? The motion's carried.

Motion 57: All in favour? The motion's carried.

Mr O'Toole: Chair, a couple of clarifications: We have two or three motions that I think have either been lost or—I'm going to just review them. One is the Liberal motion by Mr Peterson. It's that the Ministry of Community and Social Services—

The Chair: That motion was withdrawn.

Mr O'Toole: Wait a minute. Mr Peterson's motion here says, "Children's Services and the Ministry of Finance change their funding formula for the social ser-

vice agencies in the region of Peel, to reach the Ontario average within three years"—

The Chair: We have it writing from Mr Peterson that the motion was withdrawn.

Mr O'Toole: He withdrew it. I didn't get a copy of that. I needed a copy of that to know.

Mr Peterson: I didn't know you were interested.

Mr O'Toole: You don't know how to use a phone book?

The Chair: It has been withdrawn.

Mr O'Toole: We may have to report this. I didn't get a copy.

The Chair: Likewise—

Mr O'Toole: The clerk—

The Chair: Likewise—

Mr O'Toole: A clarification to the clerk: I should have been notified.

The Chair: Order, please. Likewise, Mr Prue sent written notice of withdrawing motions.

Mr O'Toole: I'm not finished. Which ones? Numbers 24 and 25?

The Chair: That's correct.

Mr O'Toole: I would put to the clerk, without trying to be a micromanager here, that we should be notified, because I do spend considerable time contemplating these motions. I notice Mr Peterson is laughing with a guttural response, but it's true. Possibly, he hasn't read them. Obviously, he wasn't thinking when he wrote it.

The other one is motion number 22. I want to restate it, with your indulgence: "That the standing committee on finance and economic affairs ask the Minister of Finance to immediately provide the 60-page document described by the Ministry of Finance as the 'Estimated Cost of Initiatives' to all MPPs and members of this committee to allow for appropriate deliberation and analysis of all requests from presenters that reflect promises made by the Liberal government during the 2003 general election."

The point of this is: This whole exercise, we've tried to establish—

The Chair: I need to know, Mr O'Toole—

Mr O'Toole: I need unanimous consent.

The Chair: Are you trying to introduce a new motion?

Mr O'Toole: This motion was introduced on February 10.

The Chair: I would assume that it was defeated.

Mr O'Toole: It's a cover-up. On a point of order: I feel that by withholding that important election promise document, I am unable to assess the promises and validity of the promises you made during the election, which caused many—

The Chair: The motion was defeated and we're working under the subcommittee report as deemed and passed by this committee.

Mr O'Toole: I put to you: It's being withheld. I'm outraged by this betrayal of democracy.

The Chair: It was defeated.

Interjections.

The Chair: We'd ask the committee for just a few moments, please. We are very close to finalizing this.

Mr O'Toole: Number 6: This was with respect to the wine council.

The Chair: That was carried and will be part of the report.

Mr O'Toole: OK. I see I have to record them all. Number 7 was defeated, so it won't be, eh?

The Chair: That's correct.

Mr O'Toole: Liberal motion number 9, which was Mr Colle's, was carried.

The Chair: Yes.

Mr O'Toole: So that's a yes.

Mr Barrett: Which motion was that?

The Chair: Number 9. Mr Colle's motion 9 is a procedural motion and probably would not be part of the report.

1500

Mr O'Toole: I appreciate your indulgence. Are these going to be attached as an appendix, or are they going to be integrated into it by the ministry? You've taken the time to organize these. I don't think it would be a great thing to have tourism motions that had passed. If they failed they won't be in there, but that means you supported them because you've got the majority. Just for reading it, if you're talking about tourism and tourism partnership—

Mr Colle: I think we'll leave it up to the writers of the report. I have full confidence that they'll be able to do that properly. It's not our job to micromanage the writing of the report.

The Chair: It will be in the report at the end of each section.

Ms Heidi Clark: I guess we're looking for instruction from the committee on how they'd like to see that. It could be attached at the back as an appendix of recommendations that have been carried by the committee. It can also appear at the end of each section, if that's the way the committee would like it.

Mr O'Toole: I appreciate that advice from legislative research. If you were the critic, for instance, for finance and you've got a bunch of impact stuff, they're all in one place. Somebody in health is working with another bundle and it's sort of all together. We could have the giant list that we've just gone through here, but it's just an organizational question.

Mr Colle: Again, as I've said before, I have full confidence in research. They're trained professionals in putting together reports. Use your discretion as to how to make it as clear as possible, and if you choose to do it by section or at the end, we'll leave it up to your professional discretion.

Mr O'Toole: One last point—and I appreciate the time we've spent giving research some input. At the end of the day, the government will decide some of these things. I would also like to include in the appendix the motions that were defeated.

The Chair: They stand defeated.

Mr O'Toole: But we would know that there was public debate.

Mr Wilkinson: It's called Hansard.

Mr O'Toole: You can't possibly get to the bottom of it. It's sort of a day-by-day—

The Chair: You'll have a chance to write your report, I remind you.

Mr O'Toole: We're going to have to have a dissenting report.

Mr Barrett: Mr Chair, I'm requesting a bit of a progress report on a motion that was passed: Mr Colle's motion with respect to recreational vehicles. I wasn't there when it was carried, but as I understand it, the issue of a tag sticker program—this was to be referred by this committee to all affected municipalities. This issue continues. My office is in contact with trailer park owners who feel MPAC is putting them out of business. I understand in that motion that these comments were referred to affected municipalities, and I see here that these comments were to be forwarded to this committee for consideration. I'm just asking for a progress report or a process report.

The Chair: It was mentioned earlier today that legislative research and—we're waiting for a response from the applicant. There was some information that we were asking. We haven't received it yet, but when it comes it will be part of the motion.

Mr Barrett: We're awaiting information. You say "the applicant": Sherkston Shores?

The Chair: They will be working through AMO, I'm told. But there is some information that we're seeking that has not arrived yet from the deputant.

Mr Barrett: Yes: Sherkston Shores?

The Chair: Yes.

I would then, committee, need a motion to adopt the report with all the motions that were carried today.

Mr Wilkinson: So moved.

The Chair: All in favour? Carried.

I also need a motion that a copy of the final report with dissenting opinions be sent to the Minister of Finance prior to tabling in the House.

Mr Colle: So moved.

The Chair: All in favour? Carried.

I remind the committee that the dissenting opinion deadline is March 12 at 4 pm. The final report is confidential until after it is tabled in the House. The minimum time for translation will be a week, and the printing is two days.

I want to take this opportunity as well to express my thanks to all the staff who have helped our committee throughout these days. I was asked by Mr Johnston to thank you all for your gracious thanks to him for his work. He also wanted to state that he was not the only staff person working on this. So you can tell how gracious and how hardworking they are in the fact that they want to share the thank-yous with others.

This committee is adjourned.

The committee adjourned at 1505.

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Mr John Wilkinson (Perth-Middlesex L)

Mr Toby Barrett (Haldimand-Norfolk-Brant PC)

Mr Mike Colle (Eglinton-Lawrence L)

Mr Bruce Crozier (Essex L)

Mr Pat Hoy (Chatham-Kent Essex L)

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