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## **Official Report of Debates (Hansard)**

**Thursday 22 February 2007**

## **Journal des débats (Hansard)**

**Jeudi 22 février 2007**

**Standing committee on  
finance and economic affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy  
Clerk: Douglas Arnott

Président : Pat Hoy  
Greffier : Douglas Arnott

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Thursday 22 February 2007

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 22 février 2007

*The committee met at 0909 in room 151.*

## PRE-BUDGET CONSULTATIONS

**The Vice-Chair (Mr. Phil McNeely):** The standing committee on finance and economic affairs will now come to order. We are meeting today for report writing. I propose that the first order of business will be to ask if there is general satisfaction with the wording in the pre-budget consultation draft report. At a second stage of report writing, there will be motions and recommendations moved, which we will get to shortly.

Is there support for the pre-budget consultation draft report? Agreed.

So we can move on to the motions themselves. I've asked the clerk to compile a numbered package of all the motions and recommendations previously submitted by all parties. Each person should have the motions in front of them. The motions are all numbered and appear in the order that the ministries are dealt with in the draft report. In the past, we have agreed as a committee to refer to the motions as motion 1, motion 2, motion 3 etc. I will try to indicate as we move through them in whose name they stand. If that's agreeable, we can do that. Is that agreeable?

**Mr. Tim Hudak (Erie–Lincoln):** How about we do the odd ones followed by the even ones.

**The Vice-Chair:** I will just remind the committee members that according to the standing orders, preambles are not allowed as part of a motion. Any "whereas" clauses will therefore not form part of the motion recorded in the official minutes.

I will now turn to the first motion, on page 1, to be moved by Mr. Hudak.

**Mr. Hudak:** Upon the Chair's ruling, the motion would then read:

The standing committee on finance and economic affairs recommends that the Minister of Finance make the necessary additional legislative or regulatory changes to allow veterinarians, chiropractors and other regulated health professions to similarly qualify for the health professionals' tax advantage as outlined in Bill 197 and that any cost implications be incorporated within total planned program spending.

If I could just make some introductory comments, folks will remember that the veterinarians did appear before the committee in Belleville and brought this case

forward. This is from the 2005-06 budget, where the Minister of Finance brought in a measure, reflected in Bill 197, to allow certain health professionals to have family members as non-voting shareholders in a professional corporation. In that sense, it's tax relief. It would be doctors and dentists, as indicated in the budget, who could benefit from that. The legislative change does allow other health professionals to do so, although the minister has not yet seen fit to do so as a policy decision.

The big challenge is that veterinarians were left out because they are not a regulated health profession under the health ministry but nonetheless, I think, fit the same general description and goals of the government that were part of Bill 197 for doctors and dentists. I did bring forward a private member's bill, as folks will remember, to correct this. The private member's bill, unfortunately, has not had a chance to advance through the Legislature, but I thought the finance committee could endorse this on behalf of veterinarians, to give them that tax advantage. Benefits would be to encourage more people to go into veterinary medicine, particularly in rural areas. As you know, Chairman, it's a challenge to get veterinarians in rural areas as well as to specialize in large-animal practices. I think this measure will help do so.

**The Vice-Chair:** Further debate?

**Mr. Wayne Arthurs (Pickering–Ajax–Uxbridge):** Although the government caucus is appreciative of the motion that was brought forward, having heard the deputations that were made, I think there is a substantive issue that I don't think is going to be resolved at this point, whether it is in the future, but it's a matter that the vets in particular and others rest under the Business Corporations Act, I believe, and not under the Regulated Health Professions Act, and thus I think this takes some broader consideration because it does set the stage, potentially, for this type of corporate strategy for any number of business corporations. Thus, at this point, the government caucus is not able to support the motion.

**Mr. Hudak:** I won't belabour the point. It's something that I will continue to press. I'm disappointed in the parliamentary assistant's response. The veterinarians have made a convincing case, and I hope that we do win this initial vote of the committee.

Recorded vote, Chair.

**Ayes**

Horwath, Hudak.

### Nays

Arthurs, Jeffrey, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 2 is the 2007 PC motion, Balance the budget.

**Mr. Hudak:** Skipping over the four “whereases,” the motion reads:

The standing committee on finance and economic affairs recommends that the Minister of Finance finally deliver in 2007-08 on the McGuinty Liberals’ commitment to balance the budget.

Just some opening comments: As you can see in the “whereas” sections, revenue has increased substantially in the last four years; some \$18 billion in increased revenue has come in. The problem is that the McGuinty government continues to spend at a rapid rate. In fact, there’s almost an average program spending increase of nearly 8%, a spending rate that would have made Bob Rae blush when he was a New Democrat.

We believe there was significant capacity to balance the books in previous fiscal years. Undoubtedly, since the government is sitting on at least a \$2.2-billion cushion this fiscal year, they should balance the books, in my view, for both 2006-07 and 2007-08. This motion simply calls for a balanced budget for 2007-08.

**The Vice-Chair:** Further debate?

**Mr. Arthurs:** The government caucus can’t support the motion as it’s presented.

We are pleased that when public accounts reviewed the final books for 2005-06, in fact the government was in balance with a small surplus. We’re continuing to enhance program spending in those key areas that we committed to during the campaign, particularly health and education. We have a plan to remove ourselves from that structural deficit that we acquired at that time, and we are working toward that. If the economy allows, we may be in an even better position than was in the 2006-07 budget projection, much as we saw in 2005-06, but I think we’ll have to wait and see what the end result is.

**Mr. Hudak:** Just to be clear, granted, “whereases” can sometimes have partisan comments, even in my motions, but we are voting strictly on the motion itself—am I correct?—not the whereases. So, effectively, the committee would be voting on the sentence that reads, “The standing committee on finance and economic affairs recommends that the Minister of Finance finally deliver in 2007-08 on the McGuinty Liberals’ commitment to balance the budget.” Am I right, Chairman?

**The Vice-Chair:** Further debate?

**Mr. Hudak:** Sorry, I’m asking for clarification. I just want to clarify that when we vote on a motion, we’re voting strictly on the motion and not on the “whereas” sections.

**The Vice-Chair:** Fine.

**Mr. Hudak:** So my conclusion would be—correct me if I’m wrong—that if the Liberal members vote against my motion, they’re suggesting that the committee rec-

ommend that the government not balance its budget this year.

**Mr. Arthurs:** As I said before, we were fortunate last year to see a small surplus when the final numbers came in, although the budget didn’t reflect that situation. We have a plan to ensure that we come to a long-term strategy whereby the budget will be in balance as well as having enhanced program spending, and we continue to stay on that path.

The government will not be able to support the motion.

**Mr. Hudak:** Just for the sake of posterity: Last year we had a surplus, and revenue has increased significantly in this past fiscal year. The government is probably sitting on, according to the third quarter financial reports, at least a \$2.2-billion cushion, with six weeks left in this fiscal year. We expect the financial situation to be similar in 2007-08. I’ll just be surprised if I see Liberal members voting against balancing the budget in 2007-08, which is also an election year.

**The Vice-Chair:** Further debate?

**Mr. Hudak:** Recorded vote, Chair.

### Ayes

Arnott, Hudak.

### Nays

Arthurs, Horwath, Jeffrey, Rinaldi.

**The Vice-Chair:** The motion fails.

The third motion is the 2007 PC motion, Arnott’s resolution.

### 0920

**Mr. Ted Arnott (Waterloo–Wellington):** Whereas the province of Ontario has lost over 120,000 high-paying manufacturing jobs over the past two years; and

Whereas the competitiveness of Ontario’s business sector has weakened; and

Whereas for most of Ontario’s history it has been the leading economic engine of Canada, yet this year Ontario’s growth has fallen behind all other provinces; and

Whereas Ontario is on the cusp of a recession after negative GDP growth in the third quarter; and

Whereas Ted Arnott’s resolution, which was debated and passed with support from all three political parties in the Ontario Legislature on November 30, 2006, calls for an all-party committee—this committee—to study the massive loss of manufacturing jobs in Ontario as it relates to economic competitiveness and develop a plan of action to protect jobs in this sector;

The standing committee on finance and economic affairs recommends this resolution be honoured and that the Minister of Finance incorporate an action plan for the manufacturing sector to help alleviate the great harm felt by this sector of Ontario’s economy.

**The Vice-Chair:** Do you wish to speak to the motion?

**Mr. Arnott:** In support of this motion, obviously this is an idea that was endorsed by the Ontario Legislature, in a vote that took place last fall, with almost unanimous support. You may recall that there was one dissenting vote, but the vast majority of the members present were supportive of this motion, asking that this committee begin hearings on the loss of manufacturing jobs and what we can do to help the manufacturing sector ensure that they retain the jobs we have and make Ontario a more attractive place for manufacturers to invest in the future so that we can maintain our market share around the world and expand our manufacturing base. It's something that I strongly believe has to happen.

I've been raising this for over a year and a half now. In Ottawa, the House of Commons committee on industry has done this work—which commenced, I think, last year—and released a substantial report very recently that recommends action for the government of Canada. I'm just suggesting that the province should do the same and do what we can to help.

**Ms. Andrea Horwath (Hamilton East):** I'm going to be supporting this motion. I believe that there has been a woeful lack of attention to this matter. Coming from a community where the lifeblood has been manufacturing, it is devastating to see what the loss of the manufacturing sector has done for the economy of my own community. I know that's being repeated in many communities across the province.

Members of committee will know that my leader, Howard Hampton, has also brought forward practical solutions through private members' bills to try to start dealing with the current crisis in the manufacturing sector, a crisis, in fact, that has been ongoing for several years and has been all but ignored by the government. So I would be pleased to support this resolution, and I would hope that the government members would support this resolution, because somebody needs to send a clear message—this committee would be the right one—to the government that they need to get active on the manufacturing sector file. It has been devastating, to say the least, for many, many communities. The job losses are enormous, and they're not being replaced, notwithstanding the statistics that the government likes to bring forward. The kinds of jobs we're losing are not being replaced by high-paying, decent jobs that provide good wages and benefits for members of the communities where manufacturing sector employers are closing up shop.

With that, I will be supporting this motion with pleasure.

**Mr. Arthurs:** The government caucus, unfortunately, is not in a position to support the motion as it exists. We have created during the mandate the advanced manufacturing investment strategy, which includes a \$500-million loan program for manufacturing, particularly in the auto sector. The auto sector makes up some 46% of our GDP across the border to the Americas. We have leveraged out of that commitment through the private sector well over \$6 billion in manufacturing activity that

we'll see going forward. We are working hard on the Reaching Higher plan, on apprenticeship program initiatives and the like that will create a work environment that will support new and innovative industry within the province of Ontario, as well as a commitment to large investments in infrastructure, which includes things like getting busy on border crossing and the like that will encourage and support manufacturing in the province of Ontario. So we've taken a lot of steps in that regard.

I guess from this side, I'll wait for the House leaders' direction on elements for committee consideration. I'm still new here, to some extent, but we take some direction from House leaders, at least on the government side, as to the committee priorities.

**Mr. Arnott:** I'm disappointed that the government is not prepared to support this motion, given the fact that the House has supported it. You might say that this is showing indifference to the House as well as indifference to the 120,000 families who have lost a significant source of income because of high-paying jobs that have disappeared. I put this forward in a constructive way over a year and a half ago, in a non-partisan way, hoping that this committee could do some meaningful work to make a report to the government that hopefully would be implemented that could be of some assistance.

Standing committees have a number of purposes in this Legislature, one of which, of course, is to review legislation in detail and hold public hearings on bills that are referred to committees by the government. But from time to time, committees have done good work in terms of inquiring into important issues. It's something that I think committees should be more actively engaged in—I know that a significant number of MPPs feel the same way—so as to ensure that our role as MPPs is being discharged in an appropriate way.

I would say again that I express disappointment that this apparently does not have the support of the government House leader. I heard the parliamentary assistant defend the government's record in terms of their stimulus to job creation and the manufacturing sector. I've heard that statement on a number of occasions from other government members. While I would acknowledge that the government has this advanced manufacturing fund, I think it is all now spent; to the best of my knowledge, the money has been committed. I would assume from what the parliamentary assistant had said that there isn't going to be any more assistance to the manufacturing sector in the near term.

What we're missing out here, I suppose, are other areas where the government might be of assistance to work with the manufacturing sector to, again, preserve the jobs we have and hopefully make Ontario a magnet for investment: areas of tax, labour law, regulatory reform, the WSIB issues that are constant issues. All of these things are within the control and domain of the provincial government to work with industry to make it more attractive for them to stay. Apparently, the government, as I say, is not interested in pursuing that course of

action to be sure that this is going to continue to be raised.

**The Vice-Chair:** Further debate?

We'll vote on the motion.

**Mr. Hudak:** Recorded vote.

#### Ayes

Arnott, Horwath, Hudak, Jeffrey.

#### Nays

Arthurs, Rinaldi.

**The Vice-Chair:** The motion carries.

*Interjection.*

**The Vice-Chair:** The 2007 PC motion, Health tax. That's Mr. Hudak.

**Mr. Hudak:** Thank you. I feared the Chair doesn't like my jokes. There, I got a smile.

The motion reads as follows: The standing committee on finance and economic affairs recommends that the Minister of Finance incorporate into the 2007-08 budget a responsible plan to phase out the regressive, middle-class McGuinty Liberal health tax, while returning the budget into balance as it was for the final four full years of PC government from 1999-2000 to 2002-03.

Some introductory comments here: As I'd mentioned earlier, revenue to the province of Ontario is up some \$18 billion since the McGuinty government took office. The health tax brings in about \$2.6 billion or so, so there has been a significant capacity. In fact, we would make an argument that the health tax was not necessary because the McGuinty government has far more in revenue that has come into the provincial treasury than they said they needed in their campaign platform of 2003.

My last point is that a very strong argument can be made that the health tax is very regressive, hitting the middle class and lower-income individuals, particularly seniors, the hardest. You could even make an argument that the McGuinty Liberal regressive health tax is more regressive than even a flat tax in its impact on those modest-income earners, and therefore a responsible plan should be included in this upcoming budget to eliminate that health tax.

**Mr. Arthurs:** The government caucus can't support the recommendations put forward. The premium was necessary. Although the former government did find windows where they balanced their budget, they left office with a large structural deficit. It's been necessary not only to deal with that but to use the health premium to provide the health care that the people of the province of Ontario expect, to rebuild the health care system, as well as enhance it, as we've done over this time frame. All the dollars are being spent in health care, and we remain on track to establish a balanced budget as per our plan as it is laid out.

0930

**The Vice-Chair:** Further debate?

**Mr. Hudak:** Recorded vote.

#### Ayes

Arnott, Hudak.

#### Nays

Arthurs, Horwath, Jeffrey, Rinaldi.

**The Vice-Chair:** The motion fails.

Provincial land tax reform, a PC motion. Mr. Hudak.

**Mr. Hudak:** The motion reads as follows:

The standing committee on finance and economic affairs recommends the Minister of Finance commit that all increased taxes under the newly reformed provincial land tax will be used only to provide improved services to residents of northern Ontario.

We had actually brought this forward as an amendment to the budget bill to ensure that any additional revenue brought in from provincial land tax reform would be reinvested in northern Ontario, effectively to the taxpayers and communities that they frequent. Unfortunately, the government at committee voted down that particular amendment, but I know there are a couple of new faces at committee today, so I hope this time we will win the support of the government caucus. We do worry, with the current government's propensity to spend the money as fast as it can sign the cheques, that this money will not get back to northern Ontario but could be on any special project, including things like redesigning the Ontario trillium.

**The Vice-Chair:** Further debate?

**Mr. Arthurs:** The government caucus is going to support the motion as it is presented. Certainly, we couldn't have supported it as an amendment to the budget bill itself; it's a little more constraining. But the government is committed to ensuring that the dollars that do come from the provincial land tax reforms go back to northern Ontario for the purpose of supporting the communities in the way they need to be supported. So the government is supportive of this initiative in the fashion it is presented.

**The Vice-Chair:** Further debate?

**Mr. Hudak:** Again, we'll all bring our debate points forward, but my understanding is that we're simply voting on the motion, not the fashion in which a motion is presented, but how the motion reads. Again, for the sake of the record, this is simply recommending that the Minister of Finance send any increased taxes through provincial land tax reform back to northern Ontario. It's a simple principle. I suggest that principle is supported by all members of the committee and I would hope that we would have that endorsement of the committee for that principle.

**The Vice-Chair:** Further debate?

**Ms. Horwath:** I will be supporting this motion as well. I believe that it's pretty straightforward and it reflects a basic fairness element that I think is appropriate.

Taxation on this northern land needs to be reinvested in the north. There are certainly many situations of a lack of attention to particular things like infrastructure and it's why I support this motion as well.

**The Vice-Chair:** Further debate?

**Mr. Hudak:** Recorded vote.

### Ayes

Arnott, Arthurs, Horwath, Hudak, Jeffrey, Mitchell, Rinaldi.

**The Vice-Chair:** The motion carries.

Capital tax–hospitality, a PC motion.

**Mr. Hudak:** The motion reads as follows:

The standing committee on finance and economic affairs recommends that the Minister of Finance accelerates the elimination of the capital tax.

We certainly heard from not only the hospitality sector, which is highlighted in the title of this motion, but from a significant number of business groups, economists and industry associations who made an accurate point, that the capital tax discourages investment in the province of Ontario.

As we heard from a number of economists, among others, Ontario's growth rate has made us the laggard of Confederation this year; we worry about growth rates in 2008 as well. Accelerating the elimination of the capital tax will certainly send the right signal to businesses to provide greater investment in the province of Ontario. As my friend and colleague Mr. Arnott has brought forward, the flight of manufacturing jobs is of great concern to all members of the Ontario Legislature, and this would be a very helpful instrument in reversing that decline. The federal government has eliminated its capital tax retroactive to January 1, 2006, British Columbia has made reforms to the capital tax, the province of Alberta has eliminated its capital tax and the province of Quebec is reducing its capital tax. Ontario should get in the game and accelerate its elimination in Ontario.

**The Vice-Chair:** Further debate?

**Mr. Arnott:** The capital tax is an anachronism that ought to be repealed.

**The Vice-Chair:** Further debate?

**Ms. Horwath:** Unfortunately, I am not going to be able to support this particular resolution. It's my understanding that the biggest winners in this particular scenario with the elimination of the capital tax, the acceleration of that program—it will benefit particularly banks and financial institutions, insurance companies, organizations that, frankly, are in a position where their revenue streams are extremely high already. The government needs to receive revenue, I believe, to provide programs and the needed investments in community, and from my perspective the acceleration of the elimination of this capital tax is not in the best interests, at this point in time, of the broader communities.

**The Vice-Chair:** Further debate?

**Mr. Arthurs:** The government caucus won't find itself in a position to support the motion. We do have a plan to eliminate the capital tax. The minister has been clear that that will be accelerated, if the fiscal plan allows, by a further two years, and we've moved on that in the last budget to expedite the first cut by two years earlier than initially planned. So we plan to stay on track for that capital tax reduction, as we said today.

**Mr. Arnott:** Just a quick question: Is it the government's position, then, to phase out the capital tax by 2009?

**Mr. Arthurs:** No, the current plan calls for 2012, and up to two years earlier if the fiscal plan allows it to do that.

**Mr. Arnott:** Five years from now.

**The Vice-Chair:** Further debate? We'll vote on the motion.

**Mr. Hudak:** A recorded vote, Chair.

### Ayes

Arnott, Hudak.

### Nays

Arthurs, Horwath, Jeffrey, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

The PC motion number 7, Registered education savings plan.

**Mr. Hudak:** The motion reads as follows:

The standing committee on finance and economic affairs recommends that the Minister of Finance provide a provincial finance incentive for education savings in the form of an Ontario learning bond. Similar to that advocated by investment brokers.

My apologies for our punctuation and grammar there, Chair, but I hope that the spirit of the motion survives nonetheless.

This was, I thought, a very interesting proposal by investment dealers when we were in Barrie a couple of weeks ago. It would piggyback on some recent federal initiatives to encourage parents to invest for their children's education. We all know that the cost of post-secondary education can be a significant financial burden on working families and students in Ontario. This would allow planning ahead and savings to accrue to help finance that education when that child is old enough to pursue post-secondary education.

**The Vice-Chair:** Further debate?

**Ms. Horwath:** I'm not going to be able to support this motion. It's unfortunate that the government of the day continues to allow tuition fees to rise to the point that post-secondary education is becoming more and more unaffordable in this province. However, I don't believe that many parents in this province have the ability to invest in any kind of Ontario learning bond, and I think the solution to young people having an opportunity for post-secondary education lies more in grappling with the

unaffordable tuition fees that this government refuses to deal with.

So, although I understand the motion and where it's coming from, I don't believe it's an equitable solution that provides access to post-secondary education for all students. In fact, what it would only be able to do is help those families that have a little bit of extra income in their pocket. Unfortunately, many families in Ontario don't have that extra income to put away in an Ontario learning bond, so I can't support the motion.

**The Vice-Chair:** Further debate?

**Mr. Arthurs:** The government caucus can't support the motion as it's presented, if the opposition wanted to take a quick look at it. I think we could probably support something that would reflect more the idea of "The standing committee on finance and economic affairs recommends that the Minister of Finance either explore the provision of, or review opportunities for, a provincial finance incentive for education savings," and that speaks specifically to Ontario learning bonds. I think that's something the government caucus could support and send back to the minister, as part of this committee, to ask him to look at and explore those opportunities or review the opportunities for education savings. It's consistent certainly with our Reaching Higher plan and consistent with our desire to ensure that children have opportunity not only immediately, but that we structure it so that their opportunities are enhanced in the future. So I think it's consistent with our overall goals and strategies, but the wording as it currently stands is not something the government caucus could support.

**0940**

**Mr. Hudak:** I appreciate the parliamentary assistant's comment and interest in pursuing this type of initiative, whether it's the Ontario learning bond or some other form of financial incentive for education savings. So, proper procedure: Do I need to put an amendment motion on the floor? Maybe the parliamentary assistant could assist me to make sure that I've caught what his suggestion was.

I would amend the motion to read: "The standing committee on finance and economic affairs recommends that the Minister of Finance explore the concept of a provincial financial incentive for education savings."

**The Vice-Chair:** Do you wish to speak to the motion?

**Mr. Hudak:** I apologize. My colleague Mr. Arnott had recommended that I conclude my amendment motion by saying in "post-secondary education," to make sure we're clear. I'll read, for the sake of the record, my amended motion, Chair:

"The standing committee on finance and economic affairs recommends that the Minister of Finance explore the concept of a provincial financial incentive for education savings to support post-secondary education."

I was impressed by the presentation in Barrie on the concept of the Ontario learning bond. I thought that it was a very detailed presentation that had a lot of sensible ideas in it. I understand that oftentimes the committee wants to give the Minister of Finance a degree of

flexibility in exploring a concept. So I have no doubt that the Minister of Finance will take up the suggestion of the Ontario learning bond as a possibility if he chooses to pursue this concept. But I appreciate the parliamentary assistant's suggestion to amend the motion, and I'm very willing to do so, as I've just described.

**The Vice-Chair:** On the amended motion, debate? We'll vote for the motion.

**Mr. Hudak:** Recorded vote, Chair.

### Ayes

Arnott, Arthurs, Hudak, Jeffrey, Mitchell, Rinaldi.

### Nays

Horwath.

**The Vice-Chair:** The motion carries.

On page 8, a PC motion, Accelerate capital cost allowance.

**Mr. Hudak:** This is three today; I think this is actually a record.

**Mrs. Carol Mitchell (Huron-Bruce):** Feel the love.

**Mr. Hudak:** I know. I'm feeling the love in the room. It's very exciting. We're all warm and cozy as the snow falls outside on a cold February morning. I appreciate the assistance of my colleagues in the governing party as well as in the third party in helping to get some of these motions passed.

I will now read motion number 8 in our package. It reads as follows:

The standing committee on finance and economic affairs recommends that the Minister of Finance introduce a more favourable capital recovery regime which would apply to newly acquired machinery and equipment.

This is a companion motion, really, to the earlier motion to eliminate the capital tax. Again, we want to encourage investment in the province of Ontario, expansion of the existing facilities and certainly new facilities. Whether they're in urban, rural or northern Ontario, we believe that this measure will do so. It would certainly be more powerful if part of a package, to accelerate the capital tax, but nonetheless we think that this measure on the margins will, similarly, encourage investment in Ontario.

**The Vice-Chair:** Debate?

**Ms. Horwath:** Dissimilar to the way I voted on the previous motion, I'm going to be supporting this one. I actually see this one as a little bit different in the kind of business, the kind of industry that it targets. So I have some comfort in understanding, at least, that the point of this is to help alleviate some of the pressures that are currently in the manufacturing sector specifically. Although I understand that it's through equipment, that it doesn't necessarily mean heavy equipment and doesn't necessarily mean the manufacturing sector, I do believe



this is one small measure that can help with the manufacturing sector. So I will be supporting it.

**Mr. Arthurs:** I think the member opposite, in his opening comments, references this as a companion piece to an earlier motion, and our comments will be roughly the same. We do have a strategy for the elimination of the capital tax and the capacity to accelerate that if the fiscal plan allows. There are other venues and windows that currently exist for manufacturing support, everything from the retail tax exemption for production machinery and various equipment to an exemption on materials that are incorporating the goods for sale and a 100% write-off for corporate income tax for new assets used to generate electricity from clean, green and alternative resources. Our focus is on energy, the environment, as a more comprehensive package. We appreciate the motion but, as I say, it's a companion to the earlier motion and our position remains the same. We can't support this.

**The Vice-Chair:** Further debate?

**Mr. Hudak:** A recorded vote, Chair.

#### Ayes

Arnott, Horwath, Hudak.

#### Nays

Arthurs, Jeffrey, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 9, NDP motion 1 to the standing committee on finance and economic affairs, Fairness for working families.

**Ms. Horwath:** Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its 2007-08 budget:

—Introduce a \$10-an-hour minimum wage for Ontario effective May 1, 2007, and that the minimum wage henceforth be set annually so that a person working 40 hours a week at the minimum wage would earn an amount equal to or greater than the low-income cut-off for a single person living in Toronto as determined annually by Statistics Canada;

—Immediately eliminate the national child benefit clawback;

—Implement the first year of a two-year phase-in of an Ontario child benefit that would provide equal benefits to all low-income families regardless of source of income. The benefit would go to nearly one million Ontario children and would cost \$325 million in fiscal year 2007-08, excluding those receiving OW and ODSP who would receive their full benefit through the elimination of the clawback;

—Honour the promises made in the Liberals' 2003 election platform to invest \$300 million in new provincial money to expand Ontario's regulated, non-profit child care system and to extend child care assistance to 330,000 children;

—Stop hoarding the \$392.5 million in federal housing funds set aside for the people of this province. The federal government has sent Ontario \$312.3 million for affordable housing and \$80.2 million for off-reserve aboriginal housing as part of the authorizations under federal Bill C-48, but the funding is stalled because Ontario officials won't spend these federal housing dollars until broader fiscal negotiations are completed.

—Releasing the money in the fiscal year 2007-08 budget would be a significant step towards meeting the government's housing promises and would provide 12,000 new rent supplements at \$4,450 a unit and 7,000 units of affordable housing at \$50,000 per unit.

—Allocate sufficient funds for the expansion of health-related programs aimed at low- and moderate-income families, including enhanced prescription drug, vision care and dental care coverage.

If I can, the motion is a long one. It's quite wide-ranging, but I think the title of the motion is pretty much self-explanatory and reflects the various pieces of it, and that is a basic attention, which somehow has been lost by the government of Ontario, to fairness for working families. Notwithstanding the election platform that they ran on the last time that had some of these nice ideas in it, they have not implemented those, so now we're in a situation, of course, running up to the next election, where the government has turned its back on working families and has not created that fairness and attention to their issues and needs—some of the basic realities around cost of living versus the minimum wage, and the fact that the national child benefit clawback still is in effect, notwithstanding the way the government likes to pretend they are making headway in that regard.

The bottom line is that there are a number of issues that this government has simply ignored, and it's not acceptable. So I would hope that this committee would recommend to the finance minister that this is the budget now—we've waited a long three and a half years—that needs to start addressing some of these horrendous broken promises that are still dangling out there, everything from the complete abandonment of a child care system made in Ontario, which was a big part of the platform. Somehow, as soon as the federal government decided to turn their back, the McGuinty Liberal government walked right along that path and decided to turn their back on families with children in this province.

#### 0950

We're still in a housing crisis. Every major centre in this province has a significant housing crisis. The government likes to pretend that they are building all kinds of new affordable housing. It's simply not true. Maybe a couple hundred of units might have been built, but certainly not the numbers of affordable housing units that are required to start dealing with the incessant poverty in our communities.

There's also the ongoing issue of the lack of opportunity for low-income people, particularly to access a decent health care regime. Unfortunately, the reality is that many people who are from low-income families are

simply not able to achieve the same level of health as others, not only because of their low income and the poverty that they experience, but also because of their lack of access to vision care, dental care and prescription drugs. So we end up in a situation where this government has decided to put a Minister of Health Promotion in place, but isn't actually dealing with the fact that the health of many people in our communities continues to slide because of lack of attention not only in terms of income, like ODSP, like OW, like a \$10 minimum wage, but also on the other end: not providing the kinds of access to appropriate health care that we would expect in a province of this wealth.

The motion is long and it is multi-faceted, but I believe the direction of it is very clearly one of fairness for working families.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** I'm sure the member opposite will appreciate the fact that the government can't find itself in a position to support the extensive motion presented to us. Certainly there has been considerable debate of late around the \$10 minimum wage on that particular motion. The government committed in its platform to raise the minimum wage to \$8. It has done that effective February 1 of this year. We remain committed to seeing movement on the minimum wage front in a structured fashion and a responsible way within the economy's capacity to absorb that. We've had good cooperation over the past few years from the business sector in adjusting to the new minimum wage structures that have been put in place. We need to be cognizant of business needs to ensure that business does continue and that there are jobs for those who find themselves at the lower end of the wage scale. One way to do that is to ensure, as you adjust minimum wages, that you do it in a fashion that doesn't disrupt the economic climate, particularly to the disadvantage of those who most need it.

So government can't find itself in a position to support this motion. There are a number of elements that I could speak to, but I think the first one is sufficient.

**The Vice-Chair:** Further debate?

**Ms. Horwath:** I guess in some ways I'm not surprised, but I certainly am disappointed. I believe that the government has a responsibility to have a look at the impact of the low-wage economy that we have and needs to open its eyes to the impact it has in communities. I firmly believe that the investment in the increased minimum wage will lead to direct spending in communities by people who have a few extra dollars in their pocket. I don't believe the impact on the economy is at all what the government likes to purport. So therefore I remain disappointed that the government members of this committee are not supportive of a \$10 minimum wage. I think the responsible thing to do is to take a look at what the current minimum wage does not provide families an opportunity to do, and that is, even if they are working full time, 40 hours a week, it does not provide them the opportunity to have an income that is at least at the low-income cut-off. That is simply a shame and a crime and is unacceptable.

**The Vice-Chair:** Further debate? We'll vote on the motion. For the motion? Against the motion? The motion fails.

Number 10: NDP motion to the standing committee, motion 5, Good jobs. Ms. Horwath.

**Ms. Horwath:** This time I won't forget to ask for a recorded vote at the end of my motion, which I did last time. Motion 5, Good jobs:

Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its fiscal year 2007-08 budget:

—Flow all outstanding money in the forest sector prosperity fund; as of last year, only \$4 million of the \$500-million fund had been allocated.

—Allocate \$100 million towards a manufacturing recovery program that would have a number of elements, including a jobs protection commissioner for Ontario, the establishment of sector investment funds, and a wage protection fund.

—Commit to viable risk management and income support programs developed by the agricultural sector and allocate sufficient funds to ensure success for Ontario farmers.

If I can speak briefly to the motion, it's apparent that the government is happy to allow the forestry sector, particularly in northern Ontario, to fall apart, to crumble, and watch as communities become more and more devastated by, in some cases, loss of their only major employer. It is simply unacceptable that the government has not taken any action on this issue. Although they like to talk about this \$500-million fund, it's very apparent that it's not being effectively implemented. That is significantly problematic when you look at the number of jobs that are being lost in the forestry industry.

In the discussion we had over the resolution that Mr. Arnott had put into the Legislature and that I supported in today's committee, the issue of the manufacturing jobs that are being lost in this province has also been ignored. Notwithstanding the government's claim of their attention to particularly the auto sector, the reality is that there are a number of different kinds of manufacturing employers who are simply closing their doors and who are laying off worker after worker after worker. In fact, we've just now received another piece of information in the community that I come from, that a major rail car manufacturer, National Steel Car, is going to be laying off some 600 to 800 workers over the next short while. That is another devastating blow to my city's economy and certainly is reflective again of this government's lack of attention to the dwindling manufacturing sector in the province of Ontario.

As I had mentioned previously, the suggestion that my leader has put forward, the one that New Democrats believe needs to be implemented, is that of a jobs protection commissioner and, as well, other instruments that will help to make sure that we have a strong economy and, if we do not, that workers are in fact protected when these huge companies shut down. For example, a wage protection fund would help in that regard, as well as sector

investment funds that are a little broader than what the government currently pats itself on the back about. It's obviously not working. There is obviously significant job loss that continues to happen in this province. Again, notwithstanding the government's claim that the net jobs are higher, the bottom line is, the kinds of jobs we're losing are simply not being replaced by the same kinds of jobs. So where people were making maybe \$25 or \$28 an hour, they're now suddenly making \$12 or \$14 an hour. It's simply not enough to maintain a decent quality of life, a decent standard of living for their families, and, as well, has a devastating impact on local urban centres.

The final piece of this resolution is committing to a viable risk management and income support program developed by the agricultural sector. We have heard, time and time again, on an annual basis—Ontario farmers come to this Legislature and pretty much beg this government to do something that's reliable, something that's predictable, something that is longer term that will help them to make sure that they continue to have viable farms and viable businesses at their farms over the foreseeable future. Unfortunately, again, the government has sorely disappointed the farmers of Ontario and has not stepped up to the plate. New Democrats would like to see that the committee recommend to the Minister of Finance that a predictable, reliable program for Ontario farmers take place in the 2007-08 budget.

#### 1000

**Mr. Arthurs:** The government caucus can't support this particular motion to try to flow \$500 million out of the 2007-08 year. Simply to move it out the door I think would be irresponsible on our part. The current uptake I don't think has been at a level that we would all like to see of the \$500-million of the forest sector prosperity fund, but we have to ensure that there are viable projects on which one uses that money. If we don't have proposals that are substantive and that can provide some assurance that the money is going to be well spent, then I don't think we would be serving the balance of the taxpayers of the province of Ontario in a very effective way.

The economy has created—and I don't say “government”; government tries to create an environment that supports that—over 300,000 net new jobs during the past three years or so, and that's a substantive change. The economy does change over time. Twenty years ago we probably wouldn't have had too many folks working on BlackBerrys. I don't think we had any at that point in time, except maybe Jim and Mike at the University of Waterloo, tucked in a basement or a garage somewhere. So as the economy changes, the jobs have to change as well, and we're confident that some core industry sectors—the auto sector, as an example, is one that we are and continue to be leaders on and in. Our investments there are showing good results and will continue not only to sustain the jobs that we have in the sector but enhance those jobs on a go-forward basis, as well as create an environment for increased job opportunities elsewhere. I think the 300,000-job creation by the economy in the period of time that we've held office is a very positive sign of where the future is going to take us.

**Mr. Hudak:** I commend my colleague Ms. Horwath for bringing this forward. I am going to support this motion. There's no doubt that I think one of the salient concerns we heard at committee was the flight of jobs, particularly well-paying manufacturing jobs, from the province of Ontario, and I share her concerns with the Hamilton-Niagara region as well in the devastating job loss we've seen in a number of communities.

I will say for the sake of the record, we do share the concern that this so-called forest sector prosperity fund of \$500 million has really been nothing but a press release. As my colleague points out, only \$4 million has flowed. If the program is not working, certainly the government should re-evaluate whether there's a better way to invest those dollars to support the forest industry sector, whether it's tweaking this program, whether it's helping out on energy prices, whether it's helping out on stumpage fees, etc. We heard a number of good pieces of advice. If that \$500 million already allocated is not being used effectively, why not put it towards some of those ends to try to reverse the devastating decline in forest sector jobs?

We have pointed out in the past our concerns with the notion of a jobs protection commissioner of Ontario. I understand why we have lost 120,000 well-paying manufacturing jobs in the last two years alone, which has traditionally been the bread and butter of Ontario's economy. It seems like neither of the economic development ministers—because there are two now, with two sets of drivers, two sets of political staff and two sets of office expenses—seems to be standing at the cabinet table to reverse the decline in manufacturing jobs. So if they're not going to do the job, I guess as an alternative while the McGuinty government is in office, a jobs protection commissioner would be helpful. In fact, you could say, with the loss of jobs in Burlington, in Hamilton, in St. Catharines, in Niagara Falls, that we may need a jobs commissioner in every community, since the provincial government under Dalton McGuinty or any of its myriad of economic development ministers ain't doing their job, so to speak.

Of course, the Progressive Conservative Party would put that \$100 million towards reducing, as we've said, the capital tax, as an example, as an instrument that will spur recovery in the manufacturing sector and, I expect, would not follow through on the specific office of jobs protection commissioner. But as a last resort, given the absence at the table of economic development ministers, that might be the alternative for the time being.

I know my colleague Toby Barrett, as our agriculture critic, has crafted a couple of motions further on to support the agriculture community. We appreciate the principle in the motion and therefore will be supporting motion number 5 from the New Democratic Party.

**Ms. Horwath:** For me, it's very enlightening to know that the government thinks that they need to ensure viable projects while they watch a viable forestry sector go down the tubes. That's simply unacceptable. It seems to me, not dissimilar to the comments of Mr. Hudak, that

the bottom line is, if the program's not working, if there's no take-up, then find something that's actually going to make a difference in those forestry communities, because the simple fact is, it's not the viability of projects that's the issue, it's the viability of the entire forestry sector in the north that's the issue that this government needs to wrap its head around. That's the first thing.

The second thing is the whole idea that the parliamentary assistant seems to be implying that the McGuinty government is content to watch the manufacturing sector dissipate and disappear in the province of Ontario. I think that's irresponsible. I think that is not something that we simply need to accept and be happy about and find other kinds of jobs in the low-wage service sector to replace the high-wage manufacturing sector jobs. In fact, I'm quite fearful of the future of this province if the government in place in Ontario is content to watch the manufacturing sector disappear in this province.

**The Vice-Chair:** Further debate. Mrs. Mitchell.

**Mrs. Mitchell:** I just want to speak to what the McGuinty government has done for our agricultural community. We talk about income stabilization. Over \$900 million committed over three years: That is what the McGuinty government has done for our agricultural community. That is sizable dollars. To bring forward a resolution like this, a motion that speaks to commitment when we know that our federal counterparts are negotiating a new CAIS program today—they're out; they're talking to the communities. I'll admit it's a select few—most of their friends. But there has been a commitment made. We're at the table, the Ontario government, to talk about the CAIS program and what we can do to make a difference. But we cannot lose sight of the over \$900 million that was committed to our agricultural community to stabilize income. We understand, and the agricultural community understands.

I was just at the Cattlemen's dinner last night. They've gone through some difficult times, but we were there, stabilizing the income, and we will continue to support our agricultural community.

I feel that at this time, when the negotiations are going forward—and we know that there has been a position about risk management, moving forward on that. But the federal government is at the table, and we must have a national program for our agricultural community. The agricultural community simply understands that. They know that moving their product is a national issue.

So I just wanted to re-emphasize that the McGuinty government is committed to our rural communities, and specifically our agricultural community, and has demonstrated that with over \$900 million on the table for income stabilization.

**Ms. Horwath:** I'm just not quite sure that the farm community is as content as the member would make out. I recall hundreds of tractors circling Queen's Park, where farm communities, farm representatives and farmers were saying that they were not pleased with the lack of predictability in the way that the governments, both prov-

incial and federal, were dealing with the ongoing need for a new program.

I do understand that the member believes that the investment that was made was good enough. It seems to me that farmers were saying something a little bit different when they were here with their tractors surrounding Queen's Park Circle on a couple of occasions, if I recall.

**Mrs. Mitchell:** Just a short comment. I do appreciate the member's comments. I just want to remind the members that I represent the largest agricultural community in the province of Ontario. I appreciate that the comments she received were made on one day that the agricultural community was here at Queen's Park. But it's day by day in Huron-Bruce, as that is our greatest economic driver. So there have been many factors, but they do recognize that the \$900 million was meant to stabilize income in difficult times. I would not want it to be on the record—I know we need to move forward with programs that meet their needs on a day-to-day basis—as that member has implied.

**The Vice-Chair:** Further debate? We'll vote on the motion.

**Ms. Horwath:** Recorded vote, please, Mr. Chair.

#### Ayes

Arnott, Horwath, Hudak.

#### Nays

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 11, a government motion. Mr. Arthurs.

**Mr. Arthurs:** The standing committee on finance and economic affairs recommends:

(1) The government engage in a course of action that will promote increased investment in Ontario to help assist communities which have been negatively impacted by the recent more moderate growth of the economy.

(2) The government continue to reduce the fiscal deficit and achieve a balanced budget in accordance with its plan, and not at the expense of priorities of Ontarians such as health care and education.

(3) The government continue to foster arts in Ontario, specifically by investing in our museums and other cultural organizations.

(4) The government address the province's social deficit as a priority in support of vulnerable Ontarians.

#### 1010

Chairman, if I could, just briefly, the government caucus recognizes that we need to continue to do more—it's a never-ending battle—in communities that find themselves negatively impacted by changes in the economy, particularly when you have slow economic growth. We heard about that during our tour in places like Windsor and Kenora, and some of the initiatives being taken in economic development in those communities by muni-

cial organizations such as NOMA. So we've heard that they're trying to do their part and they need the government to continue to support them in doing that. We want the government to continue to work on its fiscal deficit and achieve a balanced budget, but we don't want to do it at the expense of education and health care.

We recognize that culture and organizations such as museums play an important part in the social fabric of our communities, and they need to also have attention. As we pay a lot of attention to the issues around the economy and around people, we need also to look at their broader lives and what enhances their lives as well.

Finally, we'd like to recommend that the government address the province's social deficit as a priority in support of vulnerable Ontarians in this coming budget.

**The Vice-Chair:** Debate?

**Mr. Arnott:** Mr. Chairman, perhaps you can assist me. I'm looking through this package of proposed amendments. Is this all the government members are putting forward today in terms of recommendations?

**Mr. Arthurs:** Yes.

**Mr. Arnott:** This is the whole thing? Okay. We had quite a few days of hearings, Mr. Chairman. We heard from hundreds of groups and individuals. I think what the government members have offered here by way of a recommendation is something that I can support, but I would have expected something a little more from the government, after many days of hearings and hundreds of recommendations, than these four points.

**The Vice-Chair:** Debate?

**Ms. Horwath:** As members of this committee know, I'm not a member of the committee; I'm subbing in for Mr. Prue, who was unable to attend today. But I have to say I find that the statements or the four motions that the government has brought forward are very broad and apple pie types of motions. I mean, they're very non-specific; there's not much substance to them. Having said that, there's nothing offensive in them, either. I mean, the only thing that I find a bit troublesome is that the government is basically saying that what they've done thus far in their mandate is good enough and they're just going to continue on the existing course of action that they've already been on. I would kind of disagree with that. I think there are many things the government could have done differently and prioritized differently, particularly when I look at item number 4 that the government has put forward in regard to social deficit. I'm not sure I like that terminology, but the bottom line is that there is a significant growth of poverty, particularly child poverty, in this province. That's an unacceptable reality, and the government had an opportunity for the past several years to do more in that regard but felt content to watch that poverty grow, as opposed to taking any action on it.

Similarly, the first resolution, that says, "The government engage in a course of action that will promote increased investment in Ontario to help assist communities which have been negatively impacted by the recent more moderate growth of the economy"—I hope that's a way of saying, "We're going to finally come up with a plan to

help stem the bleeding of good jobs out of Ontario." That's not what it says, but I would hope that the way it's written implies that that's what the government is prepared to do, because up until now whatever actions they've been taking certainly have not stemmed the tide of jobs out of Ontario—good-paying jobs. I'm talking particularly about manufacturing jobs and forestry sector jobs.

Again, there's nothing particularly offensive in any of these recommendations, so I'm happy to support them. I would just hope that there would be more attention to some of these issues particularly. I have to say that the government's performance in this regard, really, on all of these issues, has not been stellar. In fact, I don't believe that there has been enough attention paid to a number of these issues over time. I hope that by putting this kind of a motion forward it won't just be a matter of identifying that there are issues that need to be addressed but that in fact we'll see some real implementation of real initiatives that are going to start to address some of these issues in the upcoming fiscal year.

**The Vice-Chair:** Further debate?

**Mr. Arthurs:** The motion as put forward in our view reflects the broad range of priorities that we heard during our part of the tour. It reflects a theme that was presented to us. The Minister of Finance also undertook his own tour in some 18 locations—

**Mr. Lou Rinaldi (Northumberland):** It was 19.

**Mr. Arthurs:** —18 or 19, within the province of Ontario and also had a large amount of feedback on not only general-themed issues but also very specific things.

I think it's important for the committee to provide the minister with direction to ensure that as he develops a budget, it reflects the themes across the province of Ontario and not just the more one-off specifics or the more specific areas of interest. We appreciate that the members opposite have brought forward a number of those matters, some of which we find ourselves in a position to support.

**Mr. Hudak:** I'll reflect the comments of my colleagues Mr. Arnott and Ms. Horwath: It's a sad indication of the government's response to those who did probably thousands and thousands of hours of work in preparing presentations, and bringing those presentations forward to committee, to have this kind of pablum brought forward as the sole contribution of the government in the package. I would call it thin gruel, but that would be a disservice to gruel, this is so thin.

Bullet point 1 did say that we've had "recent more moderate growth of the economy." In fact, when this committee set out on its consultations, we had just gone through a quarter of negative growth. Of course, we know that two consecutive quarters of negative growth a recession make. Saying it's "recent more moderate growth" is like saying, "Pinocchio has a slight nose problem." I don't know why that particular image came to mind, but it did.

Obviously, we want to encourage the government to bring forward more motions that reflect what they heard

at the committee. I know there are a lot of high-quality members I see opposite from me who I expect had a lot of motions that they would have liked to see before the committee, but this was all that was produced. I think it's a disservice to my colleagues on the committee as well.

So I support it. We want to encourage more motions to come forward from the government, but I do want to express disappointment in this very thin gruel.

**The Vice-Chair:** Further debate? Seeing none, we'll vote on the motion. Those for the motion? Those against the motion? The motion passes.

Page 12, Grape replant, a PC motion. Mr. Hudak.

**Mr. Hudak:** The motion reads as follows:

The standing committee on finance and economic affairs recommends that the Minister of Finance commit funding, within total planned program spending, to fully partner in the national replant program as promoted by the Grape Growers of Ontario and the Tender Fruit Producers.

I would like to add for the sake of the record that the apple farmers of Ontario similarly are very supportive of the replant program. It would help farmers in these particular commodities to invest in higher-yield trees or vines to take advantage of new developments in pest resistance and productivity, for example.

I know that the Grape Growers of Ontario, tender fruit producers and apple growers have met with a number of members. I'd expect a number of members of the committee to promote this program. British Columbia has set aside funds for this program, and I believe Quebec and Nova Scotia similarly have been favourable to this program. I believe that if Ontario gets on board, that should similarly trigger, I would hope, action from the federal government, because the four major provinces that produce these commodities would be on board for this project. While I know these groups could not present directly to committee—we were, after all, not in Niagara specifically this time—they did appear before the committee in 2006 to make this point. The motion failed to carry in 2006, but I hope now with a greater lobby by those groups, we will get the committee's endorsement and hopefully funding from the minister come the next budget.

1020

**The Vice-Chair:** Debate?

**Mr. Arthurs:** I think this particular initiative is primarily led as a national program by the federal government and certainly would look to see where their leadership is in that regard. Before we would be in a position to engage in the particular motion from a government caucus side, we're going to have to oppose the motion at this point in time.

**The Vice-Chair:** Further debate?

**Mr. Hudak:** I should be clear: It's not a federal government program per se, it's a program by the industry, by the farmers themselves and their industry associations. The parliamentary assistant is correct that they need federal support to make the program most effective. I certainly do hope that the federal government

will come through with the matching funds. They have not to date. My argument would be that if Ontario gets on board, as I would argue the greatest farm gate value in these commodities in all of Canada, that would help provoke federal action at the same time.

British Columbia has invested in the replant program quite aggressively. Similarly, Quebec and Nova Scotia have endorsed this program and have, I believe, flowed funds to this program. I think Ontario may be the trigger, if we put funding aside, to cause federal action.

Of course, this is a great benefit not only to my constituents but a number of ridings that similarly represent the table. I know that some of my colleagues opposite have apple growers in their area. I know that this would be of great benefit to the future of these industries that face significant and, I would add, subsidized competition from abroad.

**The Vice-Chair:** Further debate?

**Mr. Hudak:** Recorded vote, Chair.

#### Ayes

Arnott, Horwath, Hudak.

#### Nays

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

PC motion number 13, Agriculture.

**Mr. Arnott:** I move that, whereas the McGuinty government signed the CAIS agreement, despite the previous government's knowledge the program was not suitable for Ontario's agriculture sector; and

Whereas since then, the McGuinty government has acknowledged that CAIS has not worked well for Ontario's farmers;

The standing committee on finance and economic affairs recommends that the Minister of Finance uses existing program spending to develop an effective replacement program for CAIS.

The motion is clear and self-evident. It was put forward by my colleague the member for Haldimand-Norfolk-Brant, Toby Barrett, who also serves as our agriculture critic. He participated, as a member of this committee, in many days of public hearings in advance of today's meeting. He unfortunately couldn't be here today. I certainly support this as well. I think that most members representing rural Ontario have heard about the CAIS program from their constituents in many, many cases where it is not working and where it is not satisfactory. So I would recommend to the committee that we support this motion and I ask for a recorded vote too.

**The Vice-Chair:** Debate. Mr. Arthurs.

**Mr. Arthurs:** As the CAIS program is a federal program, it is our view that the federal government is in the best position to determine an effective replacement program for CAIS. The appropriate ministers in the

government would, I'm sure, be happy to work with them in doing that, but it really is a federal program. We look to them to provide an appropriate replacement program.

**The Vice-Chair:** Further debate?

**Mrs. Mitchell:** What you're asking for today is a withdrawal of the federal program. In effect, if this action was taken, you are putting our rural communities at such high risk. I can appreciate, from the member who is here today, that the agriculture critic did put this forward, but I must say that I'm quite taken aback by this action at this time.

I look at our federal counterparts; they campaigned on getting rid of CAIS. Now they're in government and they're not going to. We know that CAIS has had a lot of problems. I'm not here to defend the program, but what I am here to defend is that we make a commitment to our agricultural community in conjunction with our federal counterparts. This action, if taken, would eliminate any contributions of the federal government. From the members' comments—they knew that the CAIS program had flaws. They may have known, as our government knew, that there would be problems down the road. That's why we put in our agreement that there would be the ability to have a look at it and to readjust it, and that's what has brought about the discussions to date.

So I find that I cannot support this. I'm completely taken aback that an agriculture critic for that party would bring something like this forward. To abdicate our federal counterparts of any financial obligation to our agricultural community, in my mind, is irresponsible. I'm really quite taken aback by it.

**The Vice-Chair:** Further debate?

**Mr. Arnott:** I'm surprised by the response of the member for Huron–Bruce, as parliamentary assistant to the Minister of Agriculture and Food. It was—

**Mrs. Mitchell:** No, Ted.

**Mr. Arnott:** Oh, the former parliamentary assistant to the Minister of Agriculture and Food. I stand corrected. I apologize for that. I understood that you had made a public statement that was reported in Ontario Farmer that was very critical of the CAIS program as it currently is constituted. If I'm not correct in that, perhaps you could—

**Mrs. Mitchell:** You're not.

**Mr. Arnott:** We'll check the back issues of Ontario Farmer on that one. But again, I would suggest that the farmers in my community are not satisfied with the CAIS program, and this motion does not suggest that the federal government walk away from it. Certainly, it is a joint program between the federal and provincial governments. I would hope, as I said earlier, that the government will give consideration to supporting the motion.

**The Vice-Chair:** Further debate?

**Mrs. Mitchell:** Just on a point of clarification, I acknowledge that there are problems with CAIS. There isn't a member of the rural caucus who doesn't acknowledge that there are problems. We know that there are, as with any new program that comes forward, things that are going to have to be worked out. I understand. But this

does not speak to what you're speaking of. What I said in Ontario Farmer was not only criticism of CAIS; I talked about Agricorp as well, which administers. That was what was referred to in the Ontario Farmer, just for a point of clarification.

What this does, though, is negate—and I can understand that, from the party that you represent, you want to give the federal government the ability to abdicate from it, because they know they made commitments they have not honoured and our rural communities know as well. I can certainly understand why you're taking this position, but I just want to be very clear that what this would do in effect is harm our rural communities.

**The Vice-Chair:** Further debate? We'll vote on the motion.

**Mr. Arnott:** Recorded vote.

#### Ayes

Arnott.

#### Nays

Arthurs, Horwath, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 14, PC motion, Land use. Mr. Arnott.

**Mr. Arnott:** Again, this is a motion that has been developed in consultation with our party's agriculture critic, the member for Haldimand–Norfolk–Brant. It reads as follows:

Whereas the McGuinty Liberals have shown contempt for private landownership through its municipal source water legislation, Bill 43, and the greenbelt;

The standing committee on finance and economic affairs recommends that, using existing program spending, the Minister of Finance develop market mechanisms to allow farmers to be compensated for public goods and services they provide to society, such as recharge areas, wildlife habitat and carbon sequestration.

Again it's very clear, I think, in terms of what the member for Haldimand–Norfolk–Brant has advocated here, that farmers are struggling under considerable new government programs and in many cases during the course of their activities on their farms are doing things that are beneficial to society, and to some extent the government should attempt to quantify that and compensate them for that in areas such as recharge, wildlife habitat and carbon sequestration. Of course, the issue of global warming and climate change is something that's on everyone's mind these days, and I think the member has brought forward a reasonable suggestion.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** We can't support the motion that's before us. We're certainly committed to ensuring that we have a healthy environment in Ontario and a strong agricultural industry. An example is the Clean Water Act, to ensure that we have clean drinking water available and

clean water in our systems. We've created a \$7-million drinking water support program to help farmers and small rural businesses take action to reduce threats from water contamination and the like. The nutrient management financial assistance program—and others around would know more about this than I do in its detail, but there's a provision of some \$23.7 million, offering up to 90% funding for nutrient-management-related practices and technology. So we're taking the appropriate actions, we believe, in support of the rural and the farm economy, particularly as it relates to our healthy environment.

1030

**Mr. Rinaldi:** Just to follow up on Mr. Arthurs, I'm really quite surprised that there are johnny-come-latelies here. There is a greenbelt trust fund to deal with those issues that it impacts. Probably for the first time, there is money in legislation, when Bill 43 was passed through the House, that actually entrenches some assistance to the rural communities, farmers and especially private land-owners who are impacted to try to protect their water resources. Government made it very, very clear that we don't know the scope, the extent of that yet, but that's why we put the \$7 million up front for education, \$5 million for mediation and those types of things. But I'm sure as we progress through the process, we showed good faith in trying to deal with the issue, so I'm not sure where they're coming from.

**Mrs. Mitchell:** I just want to speak to one specific point, the carbon sequestering. I'm having a little private chuckle to myself here. I think that maybe they forgot that when the Kyoto accord was cancelled, so went carbon sequestering. So I look forward to my member across the way getting on the phone and giving Mr. Harper a call. Let's get carbon sequestering back on the table. My agricultural community is quite in favour of it. But I did have a little chuckle, and I do appreciate that we had a bit of humour in the end piece there.

**The Vice-Chair:** Further debate? Seeing none, we'll vote on the motion.

**Mr. Arnott:** Recorded vote.

**Ayes**

Arnott.

**Nays**

Arthurs, Horwath, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.  
PC motion 15, Supply management.

**Mr. Arnott:** Whereas every member of the official opposition has signed the FarmGate5 petition in support of protecting supply management; and

Whereas divisions within the government caucus are making the supply managed sectors nervous; and

Whereas supply managed sectors are "off the book" and do not require income support or stabilization, relieving budgetary pressure;

The standing committee on finance and economic affairs recommends that the Minister of Finance signal his support for supply management by signing the FarmGate5 petition.

**The Vice-Chair:** Will you speak to the motion, Mr. Arnott?

**Mr. Arnott:** Again, it doesn't require a lot of additional commentary, I don't think. Certainly, from the perspective of our party, we want to continue to demonstrate our strong support for supply management and that system of allocating resources. We would ask that the Minister of Finance do this in a public way as well.

**The Vice-Chair:** Debate?

**Mrs. Mitchell:** I'm having a couple of little chuckles today when I look at, possibly, the candidate who is so anti-supply management that he would drop a backhoe, the lift, on top of a police officer. So quite interesting, when one is going in and looking at the supply management sector.

I do want to say that FarmGate5 is a program that has been very effective in supply management. As many of you know, the riding that I have the privilege of representing is the leader in supply management. We are on the record: The McGuinty government is committed to supply management. We understand. We know that they have done an excellent job, not only when we look at the food quality, all of it—top drawer.

They've been leaders on avian influenza. Our supply management sector in the province of Ontario have been leaders in the agricultural community. We recognize that and are behind supply management 100%. The McGuinty government is on the record for that.

I do want to acknowledge that I also have signed FarmGate5, and the supply management sector is very interesting. As we see the candidates come forward for the member across the way, it will be interesting to see someone who publicly has denounced supply management repeatedly—we'll give Ontario Farmer another plug there. It's going to be quite interesting.

**Mr. Arthurs:** I think Mrs. Mitchell has spoken well to the issue of the government's support for supply management—there's no question about that—and she and others would know that better than I.

Having said that, I don't think it's the place of the committee to try to tell the Minister of Finance what his personal view should be in respect to a matter as opposed to what his commitments are as a minister of the crown.

**Mr. Arnott:** I hear support for supply management from amongst the members of the government caucus, and that's encouraging, but I hear a reservation at the end about specifically requesting the Minister of Finance to sign this petition. Could we word the recommendation or the motion to find a way to allow the government members to buy into this, to express support for supply management by suggesting that the Minister of Finance make a strong statement in the budget reaffirming the



support of the government for supply management, changing the motion to read, “The standing committee on finance and economic affairs recommends that the Minister of Finance make a strong statement in his upcoming budget in support of supply management”?

**Mr. Arthurs:** The government’s record on supply management is very, very clear. For the committee to recommend the minister to incorporate it as a position in the budget, as part of the budget document statement, I’m not sure would be helpful in any way to enhance the current position the government has, which is clear in respect to its support of supply management. We still have to reject the proposal.

**Mrs. Mitchell:** I just want to make a comment that we speak by voting in the House. That’s where the greatest impact—all three parties supported supply management. The members were there and they voted. There has been very, very overwhelming support for supply management directly from the Legislature. So we speak to it specifically in the House. That is where, as members, we have the privilege, and we know that the commitment to supply management is there from all parties.

**Mr. Arnott:** I’m a bit confused. Perhaps the members can help me. They say that they’re in favour of supply management, they say that the government is in favour of supply management, but they’re opposed to the minister saying so in the upcoming budget as a signal to reassure our farm families that the government of Ontario is standing in their corner as supply management is discussed at world trade talks. I can’t really reconcile those two things.

I’ve heard the Minister of Finance talk about raw milk but, to the best of my knowledge, I’ve never heard him say that he supports supply management. I’d like to hear it in the budget and I think our farm families would too.

**The Vice-Chair:** Further debate? We’ll first vote on the amended motion. Could you read it again?

**Mr. Arnott:** “The standing committee on finance and economic affairs recommends that the Minister of Finance make a strong statement in support of supply management in the upcoming provincial budget.”

**The Vice-Chair:** For the motion?

**Mr. Arnott:** Recorded vote, Mr. Chair.

### Ayes

Arnott, Horwath.

### Nays

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The amendment fails.

We’ll vote now on the original motion. Does anyone have further debate on the original motion?

**Mr. Arnott:** No. A recorded vote again.

### Ayes

Arnott, Horwath.

### Nays

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The original motion fails as well. Number 16, Rural affairs, a PC motion.

**Mr. Arnott:** Whereas rural Ontario has been demoralized by a Liberal government that has shown outright hostility to farmers and rural rights; and

Whereas awareness of rural affairs would help ameliorate this neglect and hostility;

The standing committee on finance and economic affairs recommends that within the current spending envelope the Minister of Finance fund an agricultural education program to be taught in elementary and secondary schools, cultivating connections between urban and rural youth.

**The Vice-Chair:** Would you like to speak to the motion, Mr. Arnott?

**Mr. Arnott:** Yes. Again, this was recommended by our party’s agriculture critic, the member for Haldimand–Norfolk–Brant. I think the intent is good. He is suggesting, and I would concur, that there needs to be an agriculture education program, to be taught in our schools to enhance understanding of agriculture and our rural way of life.

### 1040

**Mr. Arthurs:** As I understand it, Ontario Agri-Food Education is a registered charitable organization, not-for-profit, and OMAFRA has provided funding through a memorandum of agreement since 1995. The OAFE develops and distributes over 25 resource kits of agri-food education curriculum and related materials and coordinates workshops for teachers and volunteers. The staff and resources reach over 10,000 teachers and some 300,000 students annually. It’s also active in provincial and national agricultural awareness events and is a major part of the To Your Good Health initiative in the Royal Agricultural Winter Fair. So there is a substantive amount of education in the system overall currently. Whether it’s enough is another question, but there already is a program in place.

The challenge with the motion would be, as in all of these cases, that it speaks to “within the current spending envelope,” and again, it sometimes becomes, what does one take out to replace it with a new program? If in effect there is already a program in place through a non-profit charitable organization and volunteer efforts, is it better that we find additional dollars or find dollars within current envelopes and take something out to provide a program that, in effect, has some provision already? I know that Mr. Rinaldi is familiar with these programs.

**Mr. Rinaldi:** I must say that there are wings of high schools that were totally closed in the last eight to 10 years, and that’s through that technical education piece.

Part of the technical education piece in some of my high schools included hands-on experience in the agricultural sector. But the good news is, the member who drafted this resolution should know—and I guess I'm going to be a little bit selfish, but I'll have the opportunity next week to open an agricultural learning centre at St. Mary's high school in Cobourg. Not only has the Ministry of Education initiated that, but the local farming community has embraced it. The farm suppliers have supplied equipment so that the kids can have hands-on training in farming equipment. The farming community—i.e., farmers—are involved on a rotating basis to go in and do some hands-on instruction. So I'm glad that the member recognizes this is an important issue, but once again I think he's about two years behind the times.

**Mrs. Mitchell:** I too would be remiss if I did not bring forward what we have happening in the riding of Huron-Bruce. I'm very pleased to see that the previous government supports it as, around my area, when the previous government was in, the withdrawal of our 4-H programs caused, I can tell you, a great deal of hardship amongst our youth in rural communities. So I'm very pleased to see that they now know how important it is to provide education that is a part of the agricultural community. I'm certainly pleased to see that they have seen they went in the wrong direction and they are supporting the government in our initiatives that we are putting into our schools. So I thank you for that and I'm pleased to see that we're back on track again where we started. I know that as we see the programs go into more and more communities—and I've got to tell you that I've got my business community in my high schools. They are providing hands-on; the tractors are in the schools. It's phenomenal. The kids are so excited, and my business community is just over the moon.

**The Vice-Chair:** Further debate?

We'll vote on the motion.

**Mr. Arnott:** A recorded vote, please.

#### Ayes

Arnott, Horwath.

#### Nays

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Page 17, tobacco.

**Mr. Arnott:** Again, this is a motion that has been brought forward by our PC critic for agriculture, the member for Haldimand-Norfolk-Brant. It recommends the following:

The standing committee on finance and economic affairs recommend that the Minister of Finance provide the traditional 40% share of a federally led compensation package to Ontario's tobacco growers; and, further, that the McGuinty government work co-operatively with the

federal government to crack down on the illicit tobacco market.

**The Vice-Chair:** Would you like to speak to the motion, Mr. Arnott?

**Mr. Arnott:** My colleague Mr. Barrett represents a riding that has a substantial number of tobacco farmers, and he has been tireless in advocating on their behalf, as many seek to leave the industry, to ensure that they would have a reasonable compensation arrangement with governments at both levels, federal and provincial. This recommendation from my colleague is consistent with the work that he has done in the past.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** The government supports the Ontario Flue-Cured Tobacco Growers' Marketing Board proposal for a nationally funded exit program, and therefore believes the exit funding assistance on a national charge on tobacco products is the most appropriate way to go. We have been making efforts to support the industry, knowing that it's exiting out of the business. There was an announcement of some \$50-million tobacco community transition fund, providing \$35 million to assist tobacco growers wishing to exit production and \$15 million to encourage the economic diversification of the industry. We look forward to federal government leadership on that overall program with our continued support and interest in ensuring that tobacco farmers can exit in a fashion that allows them to move on in an effective way in diversifying their crop production or in some other business enterprise.

**The Vice-Chair:** Further debate? We'll vote on the motion.

**Mr. Arnott:** A recorded vote, Mr. Chair.

#### Ayes

Arnott.

#### Nays

Arthurs, Horwath, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 18, a PC motion, OARTY.

**Mr. Arnott:** Whereas the Ontario Associations of Residences Treating Youth, OARTY, provide quality care for close to 4,000 vulnerable children and youth;

Whereas they have presented research that shows that per diem costs of OARTY members are substantially lower than transfer payment agencies—\$100-\$230 range versus \$220-\$300 range;

Whereas both types of agencies are licensed in the same manner by the Ministry of Community and Social Services;

The standing committee on finance and economic affairs recommends that the Minister of Finance investigate a levels-of-care funding model as presented by

OARTY to target funds at services to children and adult residents and encourage administrative efficiencies.

**The Vice-Chair:** Will you speak to the motion, Mr. Arnott?

**Mr. Arnott:** Again, I hope that the intent of the motion is clear. This association made a presentation at this committee and is asking for fairness in terms of its funding with regard to other agencies that provide similar services. I hope that this committee can respond to their request.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** The government has conducted a residential services review, and we continue to look to where it's going to strengthen the overall standards and ensure that particularly youth in residential care receive the quality services that they provide. Among our recommendations earlier was to ensure that we prioritize the issue of vulnerability as part of the theme, and remain optimistic in doing that; that the minister will consider in his budget all of the challenges that are faced by those in our community who are vulnerable, and make wise and judicious choices accordingly.

It will be difficult for us to support the motion as it's presented at this point in time, recognizing there are many challenges that the minister is going to be faced with, and we hope this will be one that he will be taking under consideration.

**The Vice-Chair:** Further debate?

**Ms. Horwath:** I'm going to be supporting this motion. I believe that putting more investment into the well-being and quality of life of young people who are in treatment centres is an extremely important investment, and we'll reap benefits of that into the future.

My only concern: I believe that about 90% of the residences treating youth in Ontario are in fact for-profit providers. I would simply hope that the funds directed to increase per diem, if in fact government does eventually go in that direction, be accountable as being spent on provision of services for youth and not simply on the profit margin of the provider.

I support the motion wholeheartedly. I think that there needs to be some renewed investment in these treatment centres, for our young people to give them a fighting chance for the future. However, I would simply caution that the model currently for delivery of service is about 90% for-profit and that the investment, if it is increased, should be directed to services that are actually going to provide better quality of care for youth, as opposed to a profit motive.

1050

**The Vice-Chair:** Further debate? Seeing none, we'll vote on the motion.

**Mr. Arnott:** Recorded vote.

**Ayes**

Arnott, Horwath.

**Nays**

Arthurs, Jeffrey, Marsales, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 19, PC motion, Ontario's treatment centres.  
Mr. Arnott.

**Mr. Arnott:** I move that:

Whereas Ontario's children's treatment centres treat children who need immediate attention; and

Whereas OCTCs help disabled children learn how to walk and talk; and

Whereas, since responsibility for the OCTC was moved from MCSS to MCYS, there have not been appropriate improvements to the capital funding formula; and

Whereas they prepare children for school and integration into our communities by providing specific treatments for conditions such as cerebral palsy, spina bifida, muscular dystrophy, autism spectrum disorders and communication disorders; and

The standing committee on finance and economic affairs recommends that the Minister of Finance should support an increase in funding for Ontario's children's treatment centres in an amount sufficient to eliminate the waiting lists for the critical services that they provide to children with developmental disabilities and their families, and that the Minister of Finance immediately update the capital funding formula for OCTCs to provide for the appropriate program expansion and development needs.

I consider this to be a very high priority for my constituents.

A few weeks ago I had the opportunity to attend a meeting with the parents of children who have received services and, in some cases, are waiting for services from a children's treatment centre in Waterloo called KidsAbility. I know that many members of the House will be familiar with that particular organization because this issue has been raised in the House on many occasions by members from both sides of the House. Joining me at that meeting were the member for Kitchener-Waterloo, our party's deputy leader, Elizabeth Witmer; the member for Kitchener Centre, John Milloy; and the MPP for Cambridge, Gerry Martiniuk. It was a very emotional evening where we heard, as I said, from many parents and from children, as well, who are waiting for service. We all committed to bringing this issue back to the Legislature as soon as possible. We've written letters in support of KidsAbility, asking that the minister ensure that sufficient funding be allocated to children's treatment centres across the province to ensure that these children with special challenges receive service as soon as possible and not have to wait nine months, 10 months, as we are hearing and as is occurring at the present time.

I know that in last year's budget there was an allocation of additional funding for children's treatment centres that in some way helped to address the waiting lists, but there are still many hundreds of families in our area who are waiting for service. It's very disheartening when you listen to the challenges that these families are

experiencing. The government so far has not dealt with the problem in a sufficient way by cleaning up the waiting lists.

I would encourage all members of this committee to support this motion. I'm hopeful that the minister will respond with sufficient funding to eliminate the waiting lists at all children's treatment centres across the province, including KidsAbility in Waterloo.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** Just briefly, I know that we all share concern for those who have those physical challenges or other challenges, who need the kind of support that comes from children's treatment centres.

I think last year's infusion of \$10 million to the base funding, which is built in now to their base, went a long way to meeting those needs, and we were all pleased when that occurred last year for all of those treatment centres.

Again, this is one of those matters that falls under that envelope, in my view, of theming, in dealing with those in our communities who are vulnerable in one way or another.

I hope that the minister, in his consultations and having seen all of the documentation, as he does his deliberations, will consider this among all of the packages, but we're hesitant to support the motion, again, since we're so focused on individual initiatives—and I appreciate why they're before us. I feel it's appropriate for the government caucus to reject the motion for those reasons.

**The Vice-Chair:** Further debate?

**Ms. Horwath:** I had the opportunity to meet with the Ontario children's treatment centre association representative as well as an individual from a treatment centre itself to learn more about the continued challenges that they face. Notwithstanding the investment that was made, they continue to have waiting lists, and also have had, in many cases, a dilution of services in that many service providers, in their inability to stretch their dollars, decided instead of having waiting lists to simply reduce service and spread limited funds amongst more children with fewer services, or fewer hours of service per child. That simply was heart-wrenching, I think, for the people who spoke to me in terms of acknowledging and recognizing that the stretched services simply were not appropriate levels of service for many of these children who needed more intense or more vigorous attention. Unfortunately, the result, notwithstanding the \$10 million that was added to the base last year, is that there continues to be significant pressure in this sector. That pressure is simply leading to the children who require services receiving less and less service or fewer hours of service over time. Unfortunately, the \$10 million is not something that will increase by any inflationary amount per year. There's been no commitment to that either. So again, as these infusions take place, I think there needs to be an acknowledgement that costs do go up regularly.

I am going to be supporting this motion. I believe that we need to do as much as we can to try to invest in programs for children at the earliest stages and not wait

until opportunities for learning have dissipated as they get older. I think this motion is on the right track in terms of making that commitment to Ontario's children's treatment centres, not only for their ongoing provision of quality services to children, but also in terms of acknowledging and recognizing that there has been a lack of capital investment overall, and that needs to be addressed as well.

**Mr. Arnott:** I do not wish to make this into a partisan issue because to me it's too important, but I've heard the parliamentary assistant indicate that he's not going to support this motion. Surely, if this process means anything, if these pre-budget public consultations that we have every year mean anything, and if we come together after these pre-budget consultation public hearings to develop a report to make recommendations to the Minister of Finance, surely if this means anything, we have an opportunity to make a statement and express our belief to the minister that something has to happen on a given subject, and this is what I'm asking for here.

I want to express appreciation to Ms. Horwath for her support. I would ask Ms. Mitchell, Ms. Marsales and Ms. Jeffrey to consider supporting this. Again, I know the parliamentary assistant perhaps has been asked by ministry staff to speak against this. I suggest that KidsAbility would be delighted to have you come and visit any time to see the good work that is being done there, to see the families that they're helping and to meet the parents whose children are still on the waiting list. The \$10 million last year was appreciated, but we all know that more money is needed, and I would ask all members of this committee to express support for these families with their vote that's coming up right now.

**Mr. Arthurs:** I appreciate the comments. I'd just like to clarify a couple of things. First, the ministry staff would never undertake to provide any direction to a member. I do work within the context of the minister's office as his parliamentary assistant and we certainly discuss a wide range of things in that context, but not in the context of any direction from the ministry staff. I know that's not what the member intended in saying that, so I just want to be clear in that regard.

I too have, in the broader area of my riding—not in my riding but within Durham region—the Grandview Children's Centre. I've been there, and I'm quite aware as well, as are other members, of the very good work that is being done in that regard. My comments earlier will stand in regard to my position with respect to this, that this is one of a number of challenges that we're faced with. We just dealt with a motion on OARTY. We have another one that's following this in regard to a project in Ottawa, and there's a theme there as well. These are obviously going to be choices in the context of how we use the capacity of resources, what the minister does in that regard and on an individual basis, having made the commitment we made last year to some \$10 million to move that program forward and, in this instance, to claw back from the depth that they were in towards the surface; made a big step in doing that. We know that there's

more to be done and hope that the opportunity will be there to actually accomplish that.

**1100**

**The Vice-Chair:** Further debate? Seeing none, we'll vote on the motion.

**Mr. Arnott:** Recorded vote.

#### Ayes

Arnott, Horwath.

#### Nays

Arthurs, Jeffrey, Marsales, Mitchell.

**The Vice-Chair:** The motion fails.

Number 20, Southwest Ottawa CTC pilot project initiative, a PC motion. Mr. Arnott.

**Mr. Arnott:** I'm disappointed in the last vote, but I'll persist with this one and move that:

Whereas 41% of all children with autism or ASD in Ottawa live in the southwest Ottawa area, making it one of the highest concentrations of autism per capita in the country; and

Whereas the Ottawa Area Children's Treatment Centre ... is located in the east end of Ottawa, forcing the parents of these children with autism to drive up to 45 minutes to get to the Ottawa CTC; and

Whereas the city of Ottawa has agreed to provide land for a new CTC project in the southwest Ottawa area; and

Whereas a southwestern Ottawa pilot project could provide an excellent foundation for future initiatives throughout the province;

The standing committee on finance and economic affairs recommends that the Minister of Finance support funding for a joint project between the city of Ottawa, the Ottawa CTC and the Ontario government, to provide a new centre for use by the families with autistic children throughout the southwest Ottawa area.

**The Vice-Chair:** Do you wish to speak to the motion, Mr. Arnott?

**Mr. Arnott:** I would ask members of the committee to support this motion as well.

**The Vice-Chair:** Further debate?

**Mr. Arthurs:** Over the past three years now, we've more than doubled funding for services for children with autism. As a result of that, we're now serving 100%-plus more children with IBI treatment in all areas of the province. This motion in effect speaks to exactly the same challenges we've been debating a little bit during the last couple of motions. The children's treatment centres need capital for reinvestment; OARTY, for support for the residents; both additional space as well as the ongoing operational support that comes with additional space. These are exactly the challenges that we need to address across the province. As much as we're empathetic to this particular initiative, as I would be to any number that would come before us at any number of hearings we might have around the province, I don't feel

in a position to support the motion. It's a one-off request at this point in time. My preference would be to see the minister address the social deficit in those who are vulnerable in the province and use the money judiciously to maximize service throughout the province to those who have those needs.

**Mr. Arnott:** Again, we're not writing the budget here; we've listened to people who have come forward and, as my colleague the member for Erie-Lincoln mentioned, in many cases have devoted many thousands of hours to prepare their presentations identifying the needs in their communities. We are in a position where we can express support for some of the requests that are coming forward, especially to help kids with special needs. I just can't believe that members of this committee would not be willing to cast a vote expressing support in a recommendation to the minister that he consider these needs in his upcoming budget. So again I would ask members of the committee to support this motion.

**The Vice-Chair:** Further debate? There being none, we'll vote on the motion.

**Mr. Arnott:** A recorded vote.

#### Ayes

Arnott, Horwath.

#### Nays

Arthurs, Jeffrey, Marsales, Mitchell.

**The Vice-Chair:** The motion fails.

Number 21, Motion 4: Students First education plan.

**Ms. Horwath:** Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its fiscal year 2007-08 budget, allocate sufficient funds to:

—Freeze all regulated and deregulated college and university programs—I believe that should say “fees”—as well as ensure that funding is sufficient to compensate for the tuition freeze;

—Scrap in-class apprenticeship fees, as the McGuinty Liberals promised;

—Implement a new education funding formula for the 2007-08 school year that will ensure dedicated funding for students with English as a second language, ensure specialist teachers and school librarians are available to students, cover the real costs of paying non-teaching staff, and implement all outstanding recommendations of the 2002 Education Equality Task Force, including the provision that the new formula will be subject to annual public review by a standing committee on education.

If I may just speak briefly to the motion, it's fairly specific. I think that members of the committee will see what we're trying to get at here in regard to access to post-secondary education through tuition fee freezes; however, also including and acknowledging the fact that

the institutions are going to require additional funding to provide quality education.

Fees that are levied upon various students at various levels still are taking place and it's inappropriate because those families that cannot afford fees, particularly, for example, in apprenticeship programs, are then prevented, or their children are prevented, from participating, which is inappropriate. There should be universal access to education in this province.

The implementation of a new education formula for the 2007-08 school year is something that we had thought was a commitment that the government was going to be fulfilling in terms of funding formula overhaul, but unfortunately they haven't seen fit to do that. We still think that needs to be done. I believe the motion is very clear in terms of where we'd like to see those changes in the 2007-08 fiscal year.

**The Vice-Chair:** The motion had the word "fees" in the first bullet after "programs." Debate?

**Mr. Arthurs:** When we came to office we established a tuition freeze at that point in time for a two-year period, and that was done. It's obviously necessary to have students participate in the funding of programs; that's a necessity. We're providing grants that weren't available for quite a number of years, and support through loans systems to ensure that every student who is qualified has access to the system. There's considerable money being invested in employment programs and apprenticeship programs, some \$100 million in Employment Ontario's apprenticeship programming. There are some 78,000 registered apprentices currently in the province of Ontario. We believe that the government has been on the right track in that regard and has fulfilled its obligation in respect to tuition freezes and has set out a strategy to ensure that young people have access to the school system and share in that cost.

**Mr. Arnott:** On behalf of our party, I want to respond to the motion that's been put forward by the NDP this morning. There are three parts, of course: first of all, the recommendation that there be a tuition freeze for post-secondary education; secondly, asking the McGuinty government to keep a promise that apparently they've not; and third, that the government follow up, in response to the Education Equality Task Force—I guess that's the Rozanski commission that was done under the previous government—and asking that those recommendations be responded to by this government.

I'm not sure about the practicality of a tuition freeze at this time and whether or not that is going to be possible, but I understand the New Democrats' position on that. I'm for the government keeping its promises and continuing to bring those issues to their attention as those promises are broken. I also believe that the recommendations of the Rozanski commission and report ought to be honoured by this government, so I will be supporting the motion.

**Ms. Horwath:** I just want to follow up with the deep concern I have that the government seems to be unprepared to address the major flaws with the funding

formula the way it sits. I've spoken to the chair of the public school board in the community that I come from, and I know it's reflected in school boards across the province in the fact that the way the school boards are funded does not enable appropriate levels of funding, so services or programs that need to be provided are not being provided. In my community, I speak specifically to issues of English as a second language, special-needs students, special assistants who are needed to help kids who are having trouble. Those resources simply aren't there. Why are they not there? They're not there because school boards can't afford to provide them. Why can't they provide them? They can't provide them because the funding formula is flawed in such a way that they're required, because the funding isn't there, to pull those resources from ESL, from special assistants, from school librarians, from those kinds of programs in order to fill the gaps that exist in their budgets.

**1110**

That's just no way to operate a school system, so we end up with communities like the community that I'm from, which has significant numbers of immigrant children, for example, who are unable to obtain the kind of assistance they need in obtaining their English language skills and therefore are left unable to excel at school, unable to succeed at school. The government likes to talk the talk about immigrant communities and about all the work that they do for immigrants and refugees. They talk the good talk, but on basic realities around a funding formula that helps the youngest of those immigrant refugee families in terms of the children to have a good foothold when they come to Canada and grow and thrive in communities and contribute to communities, it's simply unacceptable.

So I would urge the committee members from the government side to really consider the impact of not doing the right thing, particularly around the funding formula, because it's simply unfair to school boards, to students, children and families, particularly, to not provide an education that meets the needs of the kids. That's something this government hangs their hat on, saying they're doing so many great things in education. But step off the pedestal a little bit and look at what's really happening on the ground level in these school boards. They simply do not have the funds, funded appropriately, in a way that allows the school boards to meet the needs of children. It's simply unacceptable that the government had not seen fit to address that issue.

I would urge government members to consider supporting this resolution because, if they haven't heard it yet, they certainly will be hearing over the next couple of months that the school boards are simply not able to perform appropriately to what we would expect, what we would want our school boards to provide in terms of a quality education for kids, including special needs, ESL, transportation, school librarians, including a number of different services that have simply dwindled away in this school system in Ontario.

**The Vice-Chair:** Further debate? There being none, we'll vote on the NDP motion.

**Ms. Horwath:** Recorded vote, please.

#### Ayes

Arnott, Horwath.

#### Nays

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

PC motion 22, Clean coal technology.

**Mr. Arnott:** Whereas the McGuinty government made the irresponsible decision to shut down coal-fired generation in Ontario without a plan for an adequate supply of affordable and reliable energy to replace it; and

Whereas not a single action has been taken to improve the quality of air Ontarians breathe by installing readily available technologies to clean up the emissions from these coal plants; and

Whereas 2014 is the new target for coal shutdown, and there is strong doubt whether that date is even achievable or advisable;

The standing committee on finance and economic affairs recommends that the Minister of Finance and the Ontario government move immediately to install the most advanced clean-coal technologies on Ontario's four coal plants and take meaningful, achievable action to improve air quality in Ontario. Further, the official opposition recommends that a study should be undertaken on the suitability of the province's four coal plants for carbon sequestration, and if found to be feasible, these technologies should be pursued with earnest.

**The Vice-Chair:** Would you like to speak to the motion, Mr. Arnott?

**Mr. Arnott:** Again, I think this motion clearly indicates the position of our party as to what ought to happen next in terms of the coal-fired plants that the government promised to close by 2007 in the election campaign of 2003, a promise that has not been kept. We would suggest that if efforts had been taken in 2003 to clean up these coal-fired plants with modern technology, the air that we breathe today would be far cleaner. We would still suggest to the government that it is worthwhile because of the fact that we don't know for sure when the coal-fired plants will be shut down. The government's latest target date, having changed it I think three times, is now 2014. Surely we should be taking these steps immediately.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** The government remains committed to the closing of coal plants. There's probably some general agreement that there's cleaner coal technology, but not clean coal technology at the end of the day. We'll continue to pursue the objectives of closing coal, taking coal out of the system and bringing on alternative base-load sources at the earliest possible time.

**Mr. Arnott:** Let's face it: Had the scrubbers been installed in 2003 or even sooner, we could have had cleaner air the last number of years. Going forward, knowing that the coal-fired generation is not going to be shut down, I think it's incumbent upon a government that cares about this issue to recommend the installation of scrubbers on our coal-fired generation plants.

**Mr. Arthurs:** The operative word might have been "sooner"—pre-2003. From the period of 1995 to 2003, we've seen about a 100% increase in those emissions. It's our objective to reduce those with the closing of Lakeview. With the closing of Lakeview, that made a measurable difference in those emissions. We'll continue on track. The government will, in my view, instruct the minister at the earliest possible time to get coal out of the system, not to change technologies as a way of keeping it in the system.

**The Vice-Chair:** Further debate? Seeing none, we'll vote on the motion.

**Mr. Arnott:** Recorded vote.

#### Ayes

Arnott.

#### Nays

Arthurs, Horwath, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

NDP motion 23.

**Ms. Horwath:** Real action on the environment:

Be it resolved that the standing committee on finance and economic affairs strongly recommends to the Minister of Finance that the government, in its 2007-08 budget,

—Allocate funding for the development and implementation of an Ontario climate change plan in order that Ontario can reduce its greenhouse gas emissions to 6% below 1990 levels by 2012, as required under the Kyoto Protocol. Given that both our neighbour to the east and our neighbour to the west have implemented climate change plans to reduce their greenhouse gas emissions to levels equal to, or below, those required under the Kyoto Protocol, Ontario must take immediate action to develop and implement a plan that—at a minimum—reduces greenhouse gas emissions in keeping with established Kyoto targets;

—Allocate funding to ensure that climate change adaptation is integrated into all infrastructure development in the province, and that the Ministry of the Environment is provided funding to ensure that a government-wide strategy for mitigating the impacts of climate change on Ontario communities and the environment. The Environmental Commissioner noted in his 2005-06 report that climate change adaptation lacked leadership in the government and required immediate attention;

—Cancel all plans for new nuclear power plants and work with the appropriate agencies to allocate the savings into an aggressive conservation and energy efficiency plan; and

—Allocate an additional one cent of the gas tax to municipalities for public transit.

**The Vice-Chair:** Will you speak to the motion, Ms. Horwath?

**Ms. Horwath:** I'm sure none of the members around the table would be surprised by any of these ideas. They've been raised by New Democrats in the Legislature on many occasions. It's quite clear that the government likes to talk the talk on the environment, but when it comes to actually putting serious, effective plans in place, particularly around air emissions, they're falling very short. We need to make sure that we're doing our part. Particularly when those around us are doing their part, our lack of participation is that much more obvious, particularly around the development of a climate change plan.

We would like to see that become a priority. We would like to see the government put a plan in place and begin to implement it. We would also, as is clear in the motion, like to see a number of other initiatives around climate change and of course reiterate our real concern about the mega-nuclear scheme—how does my leader put it?—the \$40-billion mega-nuclear scheme that the McGuinty Liberals continue to wrong-headedly follow.

So from our perspective it's a clear resolution and it's one that we absolutely support. We would like to have this committee join us in that direction.

1120

**The Vice-Chair:** Debate?

**Mr. Arthurs:** The government, through the Minister of the Environment, is working on a climate change plan. She has engaged some 13 ministries in that debate and has held roundtables, with over 300 stakeholders having offered advice in that regard at this point in time. We remain committed, obviously—we talked earlier about the closing of the coal plants. We know the importance of nuclear over the past 30 years as baseload in the system. The plan currently is to look to replace existing baseload in the nuclear fleet, either through refurbishment or new products. So this motion would be inconsistent with the government's position and the caucus wouldn't be in a position to support it.

**Mr. Arnott:** On behalf of our party, I want to express my interest in the first two points that Ms. Horwath has brought forward in terms of asking the government to proceed with a climate change plan so that Ontario can attempt to meet the targets for greenhouse gas emission reductions that are outlined by the Kyoto Protocol.

I spent all day yesterday at the University of Toronto at the environmental symposia and, in the evening, listening to Al Gore make his presentation. I came away again with my belief reaffirmed that we must do more to protect our natural environment and we need to make all reasonable efforts to reduce our emissions of greenhouse gases.

Now, the third point is unfortunately an area of disagreement between our party and the New Democrats. I would concur with the parliamentary assistant when he says that nuclear energy is going to be needed into the future as baseload for our electricity system. It's something that I know the New Democrats are opposed to, but I have to say that I believe their view on that is not a responsible position.

**Ms. Horwath:** I think it's important to acknowledge that there are a number of choices before us as a province in terms of where we go, where we invest, where we see our most viable future in terms of not only environmental responsibility but also the power needs of the province.

Certainly, I'm not in any way as articulate or as well-read as my leader is on this particular issue, but I have to tell you that there is significant evidence that clearly indicates that there is no real need for new nuclear power plants to be developed in this province if in fact we put our attention to extremely aggressive conservation and energy efficiency initiatives, similar to other jurisdictions around the world, notably places like California and others, where there has been far greater attention and far greater commitment to the aggressive implementation of conservation and energy efficiency plans. By not turning our attention to that first, it becomes inevitable that the government will turn to new nuclear facilities, and those facilities have proven to be extremely costly. As well, they have implications for the future in regards to the waste product. But regardless of that, this province has not had a great record when it comes to the spiralling costs particularly of the new nuclear plants.

The plan that is in front of us now that the government has proposed is one that does not pay enough attention to the other pieces of the puzzle, those being conservation and energy efficiency. New Democrats would prefer that that's where the attention and the investment be made, right up front and at significant levels, certainly far more significant than what this government is prepared to do.

**The Vice-Chair:** Further debate? There being none, we'll vote on this motion.

**Ms. Horwath:** A recorded vote, please.

#### Ayes

Horwath.

#### Nays

Arnott, Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 24, a PC motion.

**Mr. Arnott:** I move that:

Whereas the province of Ontario spent approximately \$600,000 on the Strategy for Transforming Ontario's Beverage Alcohol System report prepared by the Beverage Alcohol System Review Panel ... and immediately put the report on the shelf; and



Whereas the report contained many positive recommendations that would help create jobs and investment in the tourism, hospitality, and domestic wine, beer and spirits industries;

The standing committee on finance and economic affairs recommends that the Minister of Finance act on those favourable aspects of the BASRP report that will modernize the Liquor Licence Act and encourage growth in the tourism, hospitality, and domestic wine, beer and spirits industries.

**The Vice-Chair:** Will you speak to the motion?

**Mr. Arnott:** Again, I think this motion is clear and self-evident in terms of what this committee heard, and I would ask that the government members express support for my motion.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** We've been doing a lot of work, I think, with the tourism industry and with support for the domestic wine and beer industries over the years, in the time we've been here. In this report, if there are favourable aspects, I'm sure that the minister responsible would bring those forward for consideration. I'm not sure what those are, offhand, that the member speaks to when he speaks to the "favourable aspects" of the report. I'm not sure what the specifics are in that regard and therefore won't be supporting the motion at this point in time.

**The Vice-Chair:** Further debate? There being none, we'll vote on this motion. Those for the motion? Against? The motion fails.

Number 25, a PC motion, HPV immunization.

**Mr. Arnott:** I move that:

Whereas the World Bank has stated that immunization should be first among the public health initiatives in which governments around the world invest; and

Whereas, according to Health Canada, "vaccination programs are considered to be the most cost-beneficial health intervention and one of the few that systematically demonstrate far more benefits than costs"; and

Whereas Health Canada has approved Gardasil, the first vaccine specifically designed to prevent cervical cancer;

The standing committee on finance and economic affairs recommends that the Minister of Finance provide funding, from within the existing health spending budget, to implement an HPV immunization program in Ontario for grade 7 females starting in September 2007 as well as a rotavirus gastroenteritis vaccination for infants to begin as soon as possible, both of which have recently been approved by Health Canada.

**The Vice-Chair:** Will you speak to the motion, Mr. Arnott?

**Mr. Arnott:** I would ask members of the committee to support this motion, which would create two new vaccine programs that would save lives and improve the health outcomes of people in the province of Ontario.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** It's our understanding that in July of last year, Health Canada approved the vaccine Gardasil for protection against some four types of HPV. It's also

my understanding that that vaccine is available through physicians and that it's OHIP-covered.

In regard to a broad vaccination program, we're still waiting on recommendations from the Canadian Immunization Committee, and the Ministry of Health and Long-Term Care will be able to work better in determining the best plan for Ontario once those recommendations are released. So we really are waiting on the Canadian Immunization Committee to make some broader recommendations that we can consider for an immunization program. In the interim, that vaccine is available and it's covered, I understand, under OHIP. So it is, on an individual basis, available. Hopefully the committee will provide its recommendations in its report in short order, which will allow the Ministry of Health to give it, ideally, quick review and to make some determinations on how to proceed.

**Ms. Horwath:** I support this resolution. I think it's timely and it's something that we need to make a commitment to doing in the province of Ontario. I'm just a little concerned about the idea that the new program of mass immunization to prevent HPV would be able to be funded within existing funding envelopes. That makes me a little bit concerned, and I hope the commitment would be to make sure that immunization program takes place, and that if it means some increases in funding to make it happen, then that needs to happen. However, I don't think that issue is enough for me to say I don't support this. I absolutely do and I think we need to move forward, so I will definitely be supporting this recommendation.

**1130**

**The Vice-Chair:** Further debate? There being none, we'll vote on the motion.

**Mr. Arnott:** Recorded vote.

#### Ayes

Arnott, Horwath, Mitchell.

#### Nays

Arthurs, Jeffrey, Marsales, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 26, an NDP motion, better health care.

**Ms. Horwath:** 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 3,000 new nurses in its fiscal year 2007-08 budget. This would constitute a meaningful step in implementing the Liberal 2003 election promise to hire 8,000 new nurses.

—Bring Ontario's per capita operational funding for long-term care up to the national average. During the 2003 provincial election campaign, the Liberals promised a \$6,000 increase in care for every resident of long-term care in Ontario. That represented a \$450-million base

operating funding for the entire sector. Thus far, increases total \$173 million—less than half of the goal.

The resolution is pretty clear. It speaks, again, to some broken promises of the McGuinty Liberal government and encourages that those promises be kept in the 2007-08 budget, specifically the 3,000 new nurses and the commitment to our seniors and frail vulnerable people who are in long-term-care facilities, that they actually begin to see the results of more funding that was promised by the government. Unfortunately, they have not as yet had that happen. So there continue to be significant problems in some, not all, long-term-care facilities. The New Democrats have been very clear about our desire to make sure that the government is held accountable on these promises. We believe there needs to be a lot of work done in the long-term-care sector and we think the government needs to get on with it.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** We're not going to be able to support the motion. We know there's more work to be done; we know it's not complete yet. There are some 4,000 more nurses in the health care system since the time we took office. We've made significant investments in the field. We've invested some \$740 million in funding since taking office for additional long-term care, and there's almost 5,000 new staff in the system, so much has been accomplished. We know there's more to do. But to try, quite frankly, to do that in one budget year, recommend it in one budget year—I just don't think it's possible for the government caucus to recommend that.

**Mr. Arnott:** On behalf of our party, I want to express support for this particular motion that has been brought forward by the NDP caucus and Ms. Horwath. I'm surprised that the government isn't prepared to stand behind the commitments that it made in the 2003 election campaign to hire 8,000 new nurses over the course of its mandate, as well as increasing funding for long-term-care residents by \$6,000 per resident. These are things that our caucus has called for in the Legislature, and we have this opportunity again, through this process of pre-budget hearings and now this report-writing phase, to express support for this, asking the minister to keep the promise that was made in the 2003 election campaign. I'm surprised that some members of the committee are not prepared to support that request.

**Ms. Horwath:** I just wanted to say it's interesting that it's being characterized as a one-time investment or that it's irresponsible to invest all of these dollars in one budget. The government has had almost four years to implement these promises. They've had almost four years to make good on what the people of the province were expecting them to do. So to say that it's irresponsible to invest this kind of figure, these dollars, in one year is simply obfuscating the fact that the government had four years to do it and their commitment has still not been fulfilled. The people of Ontario, as well as the members of this committee, are strongly recommending or strongly suggesting that the government actually fulfill

its promises for the 8,000 new nurses and for the investment in long-term care.

**Mr. Arthurs:** I didn't use the word "irresponsible," just to be clear. I said that we've made considerable progress; we know there's much to do. It would be certainly challenging to accomplish all that we would like to do, even in the balance of the fiscal year ahead. But the word "irresponsible" in that context was not used.

**The Vice-Chair:** Further debate? There being none, we'll vote on the motion.

**Ms. Horwath:** A recorded vote, please.

**Ayes**

Arnott, Horwath.

**Nays**

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 27, a PC motion, Ontario municipal partnership fund.

**Mr. Arnott:** I move that whereas many Ontario municipalities have had their provincial transfers dramatically reduced under the McGuinty government's Ontario municipal partnership fund (OMPF); and

Whereas these municipalities are struggling to deal with the reduced provincial funding, increased demands from the provincial ministries and increased costs of service delivery;

The standing committee on finance and economic affairs recommends that the Minister of Finance act, within total planned program spending, to better support municipalities, with emphasis on rural and northern municipalities like Pelham, Grimsby, Fort Erie—in the riding of Erie-Lincoln, I gather—North Bay, Fort Frances, Kenora, Atikokan, Cobalt—in the north—and Lanark Highlands that have seen their provincial funding cut under the OMPF, many of which took the time to present this important issue during the 2007 pre-budget consultations.

**The Vice-Chair:** Will you speak to the matter?

**Mr. Arnott:** The current government changed the former community reinvestment fund, which was an assistance program for municipalities, many of which in my riding have received funding under that program through the years, which was appreciated and well supported. The current government brought in this new Ontario municipal partnership fund, which created, unfortunately, a great deal of concern amongst a lot of municipalities which were losers under the new allocation formula, and many of those have spoken up and expressed their concerns. Our party is, by way of this motion, supporting their concerns and asking that the government take another look at how it's allocating funding through this Ontario municipal partnership fund so as to redress those concerns.

**The Vice-Chair:** Debate?

**Ms. Horwath:** I'm going to be supporting this resolution. I think there does need to be some work done around this. I mean, the whole issue of the need for a CRF or an OMPF speaks to the downloading exercise that took place several years ago and still is problematic for many municipalities. In this particular resolution, we're talking about the smaller municipalities. I know, coming from a larger municipality, it continues to be a problem there as well. So I certainly do support this resolution. I know there needs to be a complete change in the way that the current system operates, but this is at least a very good start, and in the interim we can send the message to these municipalities that we understand that they're struggling and that they need some more support.

**Mr. Arthurs:** In an effort to remain somewhat non-partisan, I would probably want to argue that the losers were under a former government, not as a result of an amendment to a plan. Nonetheless, if the member opposite would like to amend his motion effectively by deleting the references to specific municipalities and OMPF and simply use his lead-in statement recommending that the MOF "act, within total planned program spending, to better support municipalities, with emphasis on rural and northern municipalities," I think this would be reflective of what we all heard on the tour as part of that overall theme that there are areas that really deserve more explicit attention within the capacity to do that. If he would like to consider that, I would be pleased to be able to support that motion.

**Mr. Arnott:** I'm sorry, Mr. Arthurs. You're asking that we delete the specific names of the communities?

**Mr. Arthurs:** Effectively, what I would ask is if you wish to amend your motion simply to speak to the first two lines, up to the end of where it says, "northern municipalities." That would be something I would be prepared to support and, as a member of the committee, to recommend to the minister.

**Mr. Arnott:** So are you moving an amendment, then?  
1140

**Mr. Arthurs:** I'd leave it to you as your motion, if you like.

**The Vice-Chair:** Do you wish to move that amendment?

**Mr. Arnott:** I'm sorry. Can you say once more what you'd be prepared to support?

**Mr. Arthurs:** Just take your motion as it currently rests, starting with "recommends," and read through to where it says "northern municipalities" as the motion and delete everything thereafter, starting with "like Pelham." Just delete the balance of the motion and speak to rural and northern municipalities needing attention.

**Mr. Arnott:** Sure. I can live with that.

**The Vice-Chair:** Do you wish to speak to the revised motion?

**Mr. Arnott:** I'm pleased that the government has expressed support for the revised motion.

**The Vice-Chair:** Debate? We'll vote on the amended motion.

For the motion? Against? The amended motion carries.

Number 28, PC motion, Caledonia. Mr. Arnott.

**Mr. Arnott:** I move that,

Whereas Caledonia has suffered since February 28, 2006, as the McGuinty government encouraged the continuation of a land occupation; and

Whereas on June 16, 2006, the Minister of Municipal Affairs and Housing promised to compensate Caledonia homeowners directly impacted by the blockade;

The standing committee on finance and economic affairs recommends that the Minister of Finance fully fund the promised compensation within planned program spending.

Again, it's a very straightforward motion asking for support for the residents of Caledonia who have been negatively impacted, in a financial sense, by the occupation that has been going on for almost a year now.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** It's my understanding that there is a community advisory committee to help with the design of a financial assistance program, and the committee has provided some advice on that at this point; we've invited the federal government to participate in that and indicate their financial willingness to be supportive. With the committee's independent advice and the support of the federal government, I feel confident that there'll be a resolution that will ensure that the right kind of assistance is provided at that point in time.

I'm not prepared to support the motion fully funding a compensation package, in the absence of a more comprehensive approach of two levels of government.

**Mr. Hudak:** With respect to the motion, my colleague Toby Barrett, who is on the committee—and the members know it's in Toby's riding—had crafted this motion. All that Mr. Barrett is asking for—and I certainly support this—is for the government to make good on the promise that was made by Minister Ramsay himself, if not the Premier, not too long ago. Mr. Ramsay clearly said that there is a compensation program for the residents. It has not flowed to date. There have been some secret closed-door meetings that have taken place, which I fear are probably not helpful because they send a signal to the community about the nature of the negotiations, that basically says the door is closed.

Nonetheless, I think this motion is just simply asking the government to make good on a promise already made several months ago, particularly as we head, sadly, to the one-year anniversary of the Caledonia occupation.

**Ms. Horwath:** I'm going to support this motion because I really see it as just a reiteration of the committee's recommendation for the government to fulfill a promise.

**The Vice-Chair:** Further debate? There being none, we'll vote on the motion.

**Mr. Hudak:** Recorded vote.

**Ayes**

Arnott, Horwath, Hudak.

**Nays**

Arthurs, Jeffrey, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 29, PC motion, Property tax. Mr. Hudak.

**Mr. Hudak:** The standing committee on finance and economic affairs recommends that the Minister of Finance clarify assessment rules to ensure that all hotel unit property taxes are assessed equally.

I think that members probably have received letters on this. It relates to 1 King West, among other units in the city of Toronto, and it may very well be in other parts of the province as well. I believe that this was brought forward in Terry Mundell's presentation for the Greater Toronto Hotel Association.

There's a bizarre situation taking place today where the Ministry of Finance, through MPAC, is really putting the squeeze to owners of condo hotel units in the province of Ontario. Basically they evaluate the unit at residential assessment levels and then assess the commercial rate of taxation. Effectively, you get the worst of both worlds. You get the higher type of assessment and then you get whacked with a higher property tax rate, meaning in some circumstances that the tax rate on those units is up to five times that on existing hotels. It's cruel, it's obviously unaffordable and it is absolutely inconsistent. When I asked the Minister of Finance about this in the Legislature, he indicated that it was being reviewed, but nonetheless these poor taxpayers are really being squeezed as we wait for some decision to be made.

Mr. Mundell had suggested, I thought very fairly, that all hotel unit properties be treated the same in Ontario; that whatever kind of building they're in, the same type of assessment system would be used. I think that is a wise recommendation and that's why we brought forward the motion.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** I appreciate the comments being brought forward. I think the member just acknowledged that the minister did comment, when asked in the Legislature, that it's a matter for his review. I'd await the outcome of that review before recommending any specific action as to equal assessments for any individual properties.

**Mr. Hudak:** I appreciate the parliamentary assistant's comments. This issue has been around for a while, and, if we wait this long for the minister's review, like we waited for any action on the beverage alcohol service review, for example, or any other such projects gathering dust on the shelves in the Ministry of Finance, these poor people will no longer be able to afford their units. All we're doing is giving a suggestion to the minister, asking him to get a move on and to support a principle, I think, that Ontarians would probably support: fair treatment.

**The Vice-Chair:** Further debate? There being none, we'll vote on the motion.

**Mr. Hudak:** Recorded vote.

**Ayes**

Arnott, Horwath, Hudak.

**Nays**

Arthurs, Jeffrey, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 30, PC motion: Forest industry. Mr. Hudak.

**Mr. Hudak:** The motion reads as follows:

The standing committee on finance recommends that the government take immediate action to reduce the red tape burden faced by the forestry sector, and that the Minister of Finance provide adequate funding, from within existing spending commitments, to ensure the forestry sector regains lost competitiveness, including maintaining the 2006 stumpage adjustment of \$70 million for 2007.

We heard loud and clear once again from the forest industry sector, the unions that work in the forest industry sector, municipalities and other taxpayers and leaders that dramatic action is necessary. Sadly, we have lost over 8,800 high-paying forestry jobs since 2002, with over half of those in the last 18 months alone, with more at risk. In fact, since we wrote and submitted this motion, we've lost another facility in Thunder Bay, sending several hundred people out of work. The time for action is long past. It should have been done yesterday. Nonetheless, we do hope we get the government members' support of this motion to bring some long-delayed, needed assistance.

**The Vice-Chair:** Debate?

**Ms. Horwath:** I'll be supporting this motion. I believe the time is long past due for the government to get involved in the forestry sector and make sure that we begin to maintain those jobs as opposed to watch them fall by the wayside. Unfortunately, the government has not done very much at all in terms of dealing with the ongoing crisis in the forestry sector. I've spoken to it already in today's committee meeting. I don't know if I need to reiterate all of my previous comments. I think the motion is clearly meant to provide some suggestions for the Minister of Finance to implement regarding help for the forestry sector. It is, again, long past due the time for that to happen. If it doesn't happen soon, there simply will not be a forestry sector in Ontario.

**Mr. Arthurs:** We know there's a crisis in forestry in the province. We know it's not just the province; we know it's national, if not international in some ways. The government over the mandate has committed an entire package of over \$1 billion in aid to the industry. That includes direct investment; it includes energy conservation initiatives; it includes loan guarantees, and frankly, it's impossible to achieve what the motion

speaks to in the context of doing things as well within existing spending commitments. It's impossible to do, to be everything to everyone and do it in the context of the existing revenue streams that are available.

1150

**The Vice-Chair:** Further debate?

**Mr. Hudak:** Recorded vote.

#### Ayes

Arnott, Horwath, Hudak.

#### Nays

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 31, PC motion, Abandoned mines/OMA. Mr. Hudak.

**Mr. Hudak:** The motion reads as follows:

The standing committee on finance and economic affairs recommends that the Minister of Finance reinvest, from within total planned program spending, in the abandoned mines rehabilitation program and work with concerned groups and individuals to develop good Samaritan legislation as recommended by the OMA.

**The Vice-Chair:** Will you speak to the motion, Mr. Hudak?

**Mr. Hudak:** Thank you, Chair. I had the honour of serving as Ontario's mines minister from 1999 through 2000, and we had an abandoned mines rehabilitation program at that point in time which made needed investments in eliminating mining hazards, particularly in northern Ontario, and in cleaning up the environment. The Ontario Mining Association, which was a partner in that program, has suggested about \$10 million as part of this motion to go towards that program, although the motion itself doesn't specify a dollar figure, I should be clear. I think it's good for the environment, I think there are good partnerships with the business sector and, as well, good Samaritan legislation would ensure that those who are making genuine efforts to clean up the environment would not face repercussions as a result of those good Samaritan actions.

**The Vice-Chair:** Debate? Mr. Arthurs.

**Mr. Arthurs:** There is already a commitment to some \$60 million in spending over a six-year period for the rehabilitation of abandoned mines. We think it's a good strategy and one that we would like to stay on track with. Again, the same challenges exist as we speak about doing these things within existing spending envelopes.

**The Vice-Chair:** Further debate? There being none, we'll vote on the motion.

**Mr. Hudak:** Recorded vote.

#### Ayes

Arnott, Hudak.

#### Nays

Arthurs, Horwath, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 32, PC motion, Greenbelt. Mr. Arnott.

**Mr. Arnott:** I move that whereas greenbelt communities have had their growth frozen by the greenbelt legislation; and

Whereas many of these communities including Grimsby, Lincoln, Pelham and Niagara-on-the-Lake have had their provincial grants simultaneously reduced by the McGuinty government's new Ontario municipal partnership fund (OMPF);

The standing committee on finance and economic affairs recommends that the Minister of Finance establish a capital fund as part of the ReNew Ontario capital spending program, to support infrastructure needs in small greenbelt communities.

**The Vice-Chair:** Would you like to speak to the motion, Mr. Arnott?

**Mr. Arnott:** It's very self-evident. Obviously the government is quite proud of its greenbelt legislation, but at the same time there is a need for assistance for municipalities with their infrastructure needs. This is something we've heard about from a number of communities across the province. I'm sure that those of us who will be attending the ROMA/Good Roads conference later on this month will hear from many of our rural communities next week. So as to demonstrate support for those communities that have real, pressing, immediate infrastructure needs, I would ask all members of this committee to support this motion.

**The Vice-Chair:** Debate? Mr. Arthurs.

**Mr. Arthurs:** We are very proud of the greenbelt. I think Ontarians generally agree that it's going to be in the long-term benefit of us all, not unlike the initiative on the Niagara Escarpment years and years ago. Everyone appreciates that.

We do have a number of programs—governments do have programs in place to support small and rural communities, and those communities we're speaking of in the greenbelt fit within those categories. Everything from the rural infrastructure initiatives, Move Ontario or COMRIF; they're all opportunities for those municipalities to be able to participate in government funding without necessarily being targeted with money because of the fact they happen to be within a particular geography.

**Mr. Hudak:** I would just argue in support of this motion that municipalities, particularly small municipalities in the greenbelt area, do have unique circumstances. Basically, their growth has been frozen by the greenbelt legislation. Simultaneous to that, small greenbelt communities like Grimsby, Lincoln, Pelham and Niagara-on-the-Lake have had their provincial grants cut by the new Ontario municipal partnership fund, so it puts them in a very difficult situation. ReNew Ontario

has already set aside some \$30 billion in infrastructure investments. As part of that fund, I think it wise to recognize the circumstances that small municipalities have in the greenbelt. I think they are special circumstances, and therefore some of the funding should be earmarked for those particular communities.

**The Vice-Chair:** Further debate? There being none, we'll vote on the motion.

**Mr. Hudak:** Recorded vote.

#### Ayes

Arnott, Horwath, Hudak.

#### Nays

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

There is agreement that we will continue through lunch, I believe. All agreed? Agreed.

Number 33, Ontario Wine Council, PC motion.

**Mr. Hudak:** The standing committee on finance and economic affairs recommends that the Minister of Finance add domestic economic benefits to its measures of success for the LCBO and incorporate growth in the Ontario VQA category as part of the LCBO business plan.

That's the motion. There's no doubt that investments in the Ontario VQA wine industry—of course, VQA being 100% Ontario products—have significant economic benefits. Every Ontario bottle of wine sold results in \$4.29 of economic activity, compared to 56 cents for imported wines, according to a recent KPMG study.

The share of VQA wine through the LCBO outlet as a proportion of total sales is sadly shrinking in the face of unfair subsidized foreign competition. Sadly, the government and the LCBO have fallen off the track of maintaining the goals set out in the Ontario wine strategy. I think that motivating and rewarding the LCBO for increasing sales in this category will go a long way to getting back on track to the wine strategy targets.

**The Vice-Chair:** I'd just like to mention that we have a winery in Orléans now.

**Mr. Hudak:** There you go.

**Mr. Arthurs:** I understand that there is already in place a government-industry LCBO steering committee under the leadership of the Deputy Minister of Government Services. This might be the type of matter that a committee of that nature could address and bring forward recommendations on, as part of this package. I won't be able to support the recommendation here but would encourage the member to ensure that a matter of this nature got before that particular body. I'm sure the deputy minister would be happy to accommodate that.

**The Vice-Chair:** Further debate? There being none, we'll vote on the motion.

**Mr. Hudak:** Recorded vote.

#### Ayes

Arnott, Horwath, Hudak.

#### Nays

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 34, PC motion, Hospitality industry.

**Mr. Hudak:** The motion reads as follows:

The standing committee on finance and economic affairs recommends that the Minister of Finance level the playing field between casinos and the hospitality sector.

You can tell from the "whereases" that this motion refers to the Dalton McGuinty smoking palaces that have been recently built at Casino Windsor and both the Niagara Falls casinos. I think Dalton McGuinty has a plan to expand his smoking palaces to other gaming sites in the province of Ontario. As members of the committee know, if you're in the hospitality sector you cannot have a smoking room that has more than two walls or a roof; they have to be open-roofed facilities. Without notifying the Legislature, not raising the issue during debate, the government gave itself a secret exemption to this for the government-owned casinos. This offends Ontario's sense of fair play that a private sector operation should have the same opportunities or should face the same restrictions as a government-operated site. There was certainly an uproar across the province when the Dalton McGuinty smoking palaces were revealed, particularly with the \$2.3-million investment, if I recall, into the Taj Mahal of smoking palaces in the Windsor casino. I think it's only fair that we level the playing field, and I hope my colleagues at committee will endorse this resolution.

**The Vice-Chair:** Further debate? No further debate?

**Mr. Hudak:** Recorded vote.

#### Ayes

Arnott, Hudak.

#### Nays

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 35, Border crossings, PC motion. Mr. Hudak.

**1200**

**Mr. Hudak:** The motion reads as follows:

The standing committee on finance and economic affairs recommends that the Minister of Finance and the McGuinty government work aggressively with the national and state governments of the USA and the Canadian federal government to eliminate this pending requirement, or failing that, implement measures to mitigate the negative impact this policy will have on the tourism and hospitality sectors.

Further, a description is given in the “whereases” section. This is, of course, with respect to the requirement to have a passport or border security card to enter the United States that is currently in effect for air travel and is scheduled to be in effect for land crossings as of 2009.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** I’d be pleased to support the motion we have before us. Again, I think we heard the themes around the province in those areas with the hospitality industry and tourism, as well as other activities, particularly border communities. As long as you’re not speaking to implementing measures to mitigate negative impacts, as long as we’re not going to revert to that former era when smoking could happen anywhere and everywhere. If that’s not part of the motion, I’m good for it.

**Mr. Hudak:** You’re talking about the previous motion?

**Mr. Arthurs:** No, I’m just talking about the history pre-2003, when smoking was legal in the province almost anywhere you wanted.

**Mr. Hudak:** I think the goal of the smoking ban issue was to make sure there is a level playing field between small businesses and government-run operators.

**Mr. Arthurs:** That’s not relevant to this motion.

**Mr. Hudak:** But to this motion, similarly a tourism motion, I just think we need to make an all-out effort with the other provinces and border states to try to get a better approach than the requirement for passports at the border, and failing that, bring forward a package of support for the tourism hospitality sector, because the member knows they are being hit hard by this border interruption.

**Mr. Arthurs:** Just finally, and then I’ll stop as well, we’re probably aware as of today, with the media reports and the like, of the likelihood of trying to get enhanced driver’s licence security and use that as a strategy to consider as part of this whole initiative. So we’re pleased to accept the motion. My earlier comments were as long as we’re not going to move backward on the smoking front, not on the motion but in the context of an earlier environment.

**Mr. Hudak:** I see.

**Mr. Arthurs:** I’m good for the motion.

**Mr. Arnott:** I’ll speak to this particular motion, which relates to the western hemisphere travel initiative, which of course is the idea in the United States that you would need a passport to enter the United States. Of course, the big issue for the tourism industry in Ontario is the requirement that American tourists coming across the border will need a passport to get home. That aspect, of course, is not addressed by a more secure Ontario driver’s licence. I would hope that the government’s initiative in this respect, although we don’t know what it will cost, will lead to some positive impacts in response to the Auditor General’s criticism of the existing mechanism for Ontario drivers’ licences.

I think it’s most important that we show support for whatever efforts are taken by this government to try and influence the Americans to, in the short term, delay the application of the western hemisphere travel initiative for land crossings as long as possible and in the meantime try to convince them that it’s in their interests as well that we continue to be able to cross the border with ease. If we’re not successful in that respect, the Ontario tourism industry is really going to suffer for several years to come as this becomes phased in.

Obviously I would want to express support for this motion. Our leader, John Tory, went to Washington, DC, several months ago at his own expense, spent one day there and met with 10 different delegations and officials within the US government to try to press the case for this. After he returned, he drafted a motion that was put to the Legislature and there were some negotiations that took place with the government House leader and Minister of Tourism. In the end, a motion was drafted and received unanimous support of the House, calling upon the US administration to work with us in this respect. I would hope that we continue to work together in this. This is an issue that is so important to our tourism industry that we must work together—all three parties in the Legislature—towards taking the approach that we have to the United States government. I would commend our leader, John Tory, for showing leadership on this issue.

**Mrs. Mitchell:** I just want to speak to my strong support for the motion and recognize that I would hope that we don’t make this a partisan action. The people sitting around these tables all know how important tourism is to our industry. It’s important that we all work together, and the McGuinty government has stepped up to the table and committed repeatedly to the tourism industry. This demonstrates today our willingness to move forward.

**The Vice-Chair:** Further debate? There being none, we’ll vote on this motion.

**Mr. Arnott:** A recorded vote.

**The Vice-Chair:** Recorded vote.

### Ayes

Arnott, Arthurs, Horwath, Hudak, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion carries.

PC motion 36: Gridlock–Barrie. Mr. Hudak.

**Mr. Hudak:** This is also known as the Joe Tascona motion. Mr. Tascona, the member for Barrie–Simcoe–Bradford, appeared before the committee in Barrie and brought forward some very thoughtful remarks on needs for local highway improvements. The motion reads:

The standing committee on finance and economic affairs recommends that the Minister of Finance outline a plan, with realistic and achievable timelines, to proceed with the Ministry of Transportation’s proposed improvements to Highway 400.

**The Vice-Chair:** Do you wish to speak to the motion, Mr. Hudak?

**Mr. Hudak:** I would note that Mr. Tascona's presentation mentioned that ongoing gridlock, particularly from Barrie south to the GTA, has a negative impact on the environment from idling cars, on commuter time spent in the cars rather than with their families and on the costs of doing business, all contributing to a loss in the residents' quality of life in his area. Mr. Tascona also spoke about the proposed improvements to Highway 400 from Highway 89 to Highway 11 that have not yet occurred, and worse still, there is no start date on the immediate horizon communicated by the government.

At the same time, the province of Ontario has designated the city of Barrie as a growth area. Mr. Tascona made the point quite sensibly that if they want it to be a growth area, they need to make the infrastructure investments to facilitate that.

**The Vice-Chair:** Debate?

**Mr. Arthurs:** The member opposite had my attention right up until he referenced ownership for the motion as the Joe Tascona motion. Nonetheless, I appreciate the motion, but I'm not going to be in a position to support it, from the context of this: Highway 400's important; Highway 401's border-crossing and expansion to carry traffic from Windsor to Montreal is important; the Highway 407 extension east or elsewhere is important; and the Golden Horseshoe as an economic engine for the province and the country in its broader sense is important. As a result, I can't support the one-off motion for the 400 in the absence of being able to support 10 other highways which I know are not in any fiscal plan in the 2007-08 year. That will probably reflect on the next motion as well.

**Ms. Horwath:** I'm not going to be able to support this motion, unfortunately, and not because of similar reasons to what Mr. Arthurs has brought to the table, but simply because I think that there need to be much broader solutions to our gridlock problems. This motion doesn't reflect that. From my perspective and from the perspective of the New Democrats, there need to be more than just highway improvements to deal with the increasing growth that the province of Ontario will see. We believe that there are better solutions than simply highway expansion.

**The Vice-Chair:** Further debate? There being none, we'll vote on the motion.

**Mr. Hudak:** Recorded vote.

#### Ayes

Arnott, Hudak.

#### Nays

Arthurs, Horwath, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

Number 37, PC motion, Mid-Pen corridor.

**Mr. Hudak:** This is with respect to the mid-peninsula corridor, sometimes known as the Niagara-GTA route or something like that. The names change, but we all know it as the mid-pen corridor.

The standing committee on finance and economic affairs recommends that the Minister of Finance commit sufficient funding from ReNew Ontario to accelerate the mid-peninsula corridor process and see it completed within a defined and accelerated time frame.

1210

**The Vice-Chair:** Do you wish to speak to the motion?

**Mr. Hudak:** Yes. Originally, the highway would likely have been completed by, I think, 2010, or 2012 at the latest. The current government chose to basically toss out all of the previous studies in support of the mid-peninsula corridor and then delayed about two and a half to three years. Now they have announced that they're going to do those old studies all over again. That's a waste of taxpayers' dollars and it has effectively delayed this corridor significantly. I do worry that by the time the government gets around to this highway, we will be driving over it like the Jetsons used to in the cartoon: where the highway should have been, from 1,000 feet above.

So to avoid the Jetsons scenario, I would suggest that the committee endorse—the Jetsons were very nice. I just think that between now and then we're going to need some highway capacity and would suggest the mid-peninsula corridor as a priority.

**The Vice-Chair:** Debate.

**Mr. Arthurs:** I could almost say ditto in the context of the last motion. I'm not going to repeat myself in the context of there being a lot of priority needs; clearly this is one of those. The capacity to be able to recommend them all to the minister in one budget is not there, so I'm hesitant to recommend either of the two that have been presented.

**The Vice-Chair:** Further debate?

**Mr. Hudak:** Recorded vote.

**Ms. Horwath:** I, too, want to say ditto to my previous comments, understanding the perspective of the member from Erie—Lincoln. I actually would prefer to see a proper process put in place that goes through the rigours of alternatives that might be possible for transportation needs in the Niagara-Toronto corridor.

**The Vice-Chair:** Further debate? There being none, we'll vote on this motion.

#### Ayes

Arnott, Hudak.

#### Nays

Arthurs, Horwath, Jeffrey, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.



**Mr. Hudak:** Chair, I seek your advice, with the assistance of the clerk. This was not a motion that was tabled; you could maybe help me how to address it best. Yesterday it was announced that there is a new minister, Michael Chan, who has been appointed as the Minister of Revenue. I would expect that the Minister of Revenue—this is a breakup of the finance ministry—would report to this committee. We've been fortunate to have the Minister of Finance, either Minister Sorbara or Minister Duncan, appear before this committee on a number of occasions. I would like to request that Minister Chan report to this committee.

I recognize that I think it's going to take some time before Minister Chan has the opportunity to understand what this new ministry does, and I suspect it's going to take some time for Dalton McGuinty to figure out what the heck this new ministry is going to be doing, so I'm willing to give a bit of a grace period here. But I think if you're creating a new ministry and you're hiring new political staff, cars and drivers and such, it should have responsibility.

It would be important for me as critic to understand exactly what the honourable Minister Chan will be responsible for, and if he could report to the committee and help us understand his duties, and secondly help us to understand his plans for revenue generation in the province of Ontario.

I would like to convey the request that Minister Chan report to the committee by March 31, 2007.

**The Vice-Chair:** Mr. Hudak, we'd have to have that motion in writing and then we'd have to decide whether we're going to consider it today. Do you have it in writing?

**Mr. Hudak:** Yes.

**Mr. Arthurs:** I'm not going to be supporting the motion as is presented, but there is due process, as I understand it, for ministers and their ministries to appear before standing committees—I think it's called estimates—at the very least. I would highly recommend that the official opposition request that Minister Chan appear before estimates when he presents his estimates next year.

**The Vice-Chair:** Do we wish to deal with this motion today? Is there any debate on the motion?

**Mr. Hudak:** I think we ought to politely request that Minister Chan appear before the committee. It's been at least 15 years since the province of Ontario was graced by a Minister of Revenue. It is a bit of a golden oldie of the ministries, so I would actually like to know what they propose to do there. What is the tower over there right next to the Mowat Block? It's been closed. The Whitney tower, which has not been utilized for decades, may be a suitable location for the Minister of Revenue as a ghost ministry.

I'll get back to a polite level of discourse here. Minister Chan should be congratulated on his election. Having been a cabinet minister before, I know the excitement and honour it is to serve in that capacity, so I extend congratulations to him in those respects. At the

same time, I do think it's important that we understand what the Minister of Revenue does vis-à-vis the Minister of Finance. I know it will take some time for them to scramble and create what that ministry is going to do, so I thought that March 31 would be a suitable deadline. I'll leave it at that, Chair.

**The Vice-Chair:** Any further debate?

**Mr. Arthurs:** Just to follow up on my earlier comment: I think the window of opportunity that's already structured and in place would be to request the Ministry of Revenue to appear before estimates and the minister would have an opportunity then. But I'm sure that when we get back to the Legislature on the 19th, there will be congratulatory comments from the member opposite as he takes his seat for the first time in the front benches.

**Mr. Hudak:** I can anticipate the estimates, though, Chair. I know how long it will take. There will be car, driver, political staff and one press release announcing the new ministry, and that's probably about it. We could wait for estimates, but I do think it would be enjoyable to have a better understanding of what the Ministry of Revenue is all about.

**The Vice-Chair:** Further debate? Being none, will we deal with the motion or not?

**Mr. Hudak:** Chair, let's have a vote on it.

**The Vice-Chair:** Can we read the motion?

**Mr. Hudak:** Chair, the copy is in your hands. I apologize.

**The Vice-Chair:** The standing committee on finance and economic affairs requests that the new Minister of Revenue, the Honourable Michael Chan, appear before the committee to explain the new responsibilities of the Minister of Revenue and respond to the committee's questions on revenue-generation policies.

**Mr. Hudak:** Recorded vote.

#### Ayes

Arnott, Horwath, Hudak.

#### Nays

Arthurs, Jeffrey, Marsales, Mitchell, Rinaldi.

**The Vice-Chair:** The motion fails.

We have some questions to deal with before we leave.

Shall the report, including recommendations, carry? Carried.

Who shall sign off on the final copy of the draft, the Chair? Agreed.

Shall the report be translated? Agreed.

Shall the report be printed? Agreed.

Shall I present the report to the House and move the adoption of the recommendations? Agreed.

That finishes the business of this committee.

*The committee adjourned at 1219.*





## CONTENTS

Thursday 22 February 2007

**Pre-budget consultations** ..... F-1019

### STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

#### **Chair / Président**

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Mr. Douglas Arnott

#### **Staff / Personnel**

Mr. Larry Johnston, research officer,

Ms. Anne Marzalik, research officer,

Research and Information Services