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(Hansard)**

Monday 14 April 2008

Lundi 14 avril 2008

Speaker
Honourable Steve Peters

Président
L'honorable Steve Peters

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**LEGISLATIVE ASSEMBLY
OF ONTARIO**

Monday 14 April 2008

**ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO**

Lundi 14 avril 2008

The House met at 1845.

ORDERS OF THE DAY

INVESTING IN ONTARIO ACT, 2008

LOI DE 2008 PERMETTANT
D'INVESTIR DANS L'ONTARIO

Resuming the debate adjourned on April 10, 2008, on the motion for second reading of Bill 35, An Act to authorize the Minister of Finance to make payments to eligible recipients out of money appropriated by the Legislature and to amend the Fiscal Transparency and Accountability Act, 2004, the Ministry of Treasury and Economics Act and the Treasury Board Act, 1991 / Projet de loi 35, Loi autorisant le ministre des Finances à faire des versements aux bénéficiaires admissibles sur les crédits affectés par la Législature et modifiant la Loi de 2004 sur la transparence et la responsabilité financières, la Loi sur le ministère du Trésor et de l'Économie et la Loi de 1991 sur le Conseil du Trésor.

The Acting Speaker (Ms. Andrea Horwath): Questions and comments on the speech from the member for Oxford?

Mr. Gilles Bisson: It was a wonderful speech.

The Acting Speaker (Ms. Andrea Horwath): Questions and comments? The member for Whitby–Oshawa.

Mrs. Christine Elliott: I do appreciate the opportunity to comment on the comments made by my colleague the member for Oxford on Bill 35, Investing in Ontario Act.

At the outset, I should say that if ever there was a cynical piece of business, this is it. There's so much that you could say, on so many levels, about this bill. But just to divide it into two major categories, first of all, there is this pretense at allocating money to municipalities if the surplus reaches a certain amount at year end. Certainly, it's not looking like the surplus is going to be over that level for this year, and probably not next year or the year after, if the economic downturn that the experts are recommending comes to pass. So we've got this situation here where we're paying lip service to the idea about handing out money to municipalities, but in actual fact, it's very unlikely that they're going to be receiving anything, which they're accepting in good faith. But we know how this government operates and we know the

way that they deal with things. They like to talk about it, but we're not going to see too much action on it.

This has been picked up by the councillor from Mississauga, Carolyn Parrish, who noted this government is just playing games with them and that—

Mr. Gilles Bisson: She's also very big on the pit bull these days.

Mrs. Christine Elliott: That's right, she is very big on that issue.

As she also noted, though Mayor McCallion may be willing to accept crumbs, she's not willing to do it. So there are lots of municipal leaders out there who I think are being taken for a ride by this government.

They talk about wanting to be partners with the municipalities. I think that what they should do is be honest with municipalities and give them some indication of what they're actually going to be doing for them on an ongoing basis. Give them some stable funding on a multi-year level so they can plan for the infrastructure work that they want to have done in the municipalities, so they can know from year to year what they're going to be getting. But as our leader, John Tory, has indicated, this is basically just a crapshoot. You never know from one year to the next whether there is going to be any surplus or whether you're going to be left with your hands empty once again.

I think there's lots that can be said about this. I look forward to further debate on this. I know that many of my colleagues have a lot to say on this. If they're really serious about investing in Ontario, they would have allocated the money that is really needed by the municipalities in order to keep things going on an ongoing basis, and to be clear to the people of Ontario what it is that they're planning on doing.

1850

The Acting Speaker (Ms. Andrea Horwath): Member for Oxford for a response?

Mr. Ernie Hardeman: It's a pleasure to rise again and to thank the member for Timmins–James Bay for acknowledging my speech. Obviously, since it was made last Thursday, it's a long time ago, and a lot of members who would have been there to be paying attention on a Thursday afternoon may not be the same members who are here on a Monday evening to respond to the presentation. But I do thank him for responding, and the member for Whitby–Oshawa for her kind words as they relate primarily not so much to how it was presented but to what was presented in speaking to this bill.

We can't use the word "deceitful," but Bill 35 is a bill that doesn't deliver what the government says it's supposed to deliver. This bill says it's investing in Ontario and it will provide long-term and stable funding to municipalities. Somebody, on Thursday, as I was speaking, mentioned the fact it was like "slush fund heaven" because in fact all this bill does is allow the minister and cabinet to decide, if there are surpluses, to spend them any way they see fit. I think it's important to recognize that the government says this is a bill to help provide stable funding for municipalities. The word "municipality" does not appear in the bill. The word "infrastructure," which the municipalities were going to use this money for, does not appear in this bill. So in fact, it really just allows the Minister of Finance to spend the money where he and cabinet feel it is appropriate to spend it, where, in their opinion, it will do the most good for re-election. I think that is a deceitful way of dealing with funding municipalities who require stable funding for their future infrastructure.

The Acting Speaker (Ms. Andrea Horwath): Further debate? The member for Nepean—Carleton.

Ms. Lisa MacLeod: Thank you very much, Mr. Speaker—Madam Speaker. You always trip me up, but it's wonderful to see a woman in the chair.

It's a pleasure to be able to address my comments today to Bill 35, Investing in Ontario Act. I want to make a quick comment about something that my colleague from Whitby—Oshawa just said. She said this is a cynical piece of legislation, and how right she is. Instead of calling this the Investing in Ontario Act, we could almost be calling it the divesting in Ontario act.

The McGuinty government, through this piece of legislation, is trying or attempting to legalize what they're now famous for, which is their year-end slush funds, their practice of year-end spending—which just last year was condemned by the Auditor General—after skirting normal accountability and control provisions.

Madam Speaker, you'll remember the now famous example of the cricket club here in Ontario that requested \$150,000 and made off like bandits with \$1 million in year-end funding with little accountability. It was more about who you knew than what you needed. This is a real problem for us in Ontario with respect to how we want to fund municipalities.

When I talk about that, I just want to say that my biggest challenge in accepting this piece of legislation is the fact that it undermines something the McGuinty government hung their hat on two years ago, which was the fiscal service delivery review. Now they have delayed, they have dithered and they have denied the province the results of that study, which we had expected last year in August. When that didn't occur on the one-year anniversary of the commitment the McGuinty Liberals made, we had at least expected it would be tabled before the 2007 election. Of course it wasn't tabled before the 2007 election. We now know it's still being delayed. This continuing dithering of who does what, if you like, in the province of Ontario has cost our municipalities, at least

for the 2008 budget and their planning for what they can spend and what they can count on from provincial coffers.

From that perspective, I think this piece of legislation, without even looking at the nuts and bolts of the legislation, effectively undermines the position the McGuinty Liberals have taken with respect to municipalities in sustainable long-term funding, which we're expecting will come out of the fiscal service delivery review with municipalities and the province.

Again, I go back to this being a year-end slush fund and the fact that we do need more transparency. The Minister of Finance announced in a press conference that this would be a bill to share a portion of surpluses with municipalities for capital infrastructure, yet neither of those words appear in this legislation. The words "municipalities" and "infrastructure," that he had promised in the House, are both absent from this legislation. Instead, what we find is that it appears that any group, such as the Ontario Cricket Association, or any other entity or not-for-profit, will be eligible for these funds. I have a real problem with that. They've essentially legalized year-end slush funds. Municipal infrastructure is something that should be planned in a reasonable and responsible way, but this piece of legislation is absolutely the opposite. And as I said, they've undermined the Provincial-Municipal Fiscal and Service Delivery Review, which they promised us.

Municipalities need stable and predictable long-term funding. If the provincial-municipal funding review had been conducted in a timely manner, then such funding arrangements could have been included in this year's budget. Now this announcement, this cynical announcement, as my colleague from Whitby—Oshawa rightly pointed out, makes it clear that this government, this McGuinty government, has no real interest in paying down the debt and no real interest in helping municipalities.

There's something else that troubles me. The bill is very small. It's about a page and a half. What it does do is give great discretion to the cabinet and the Minister of Finance so that they could authorize the Minister of Finance to make payments to eligible recipients, defined as any person or entity—no individual—or partnership of individuals that does not carry on activities for gain or profit.

Furthermore, the cabinet would have full discretion over how much of the surplus, if any, is given each year to pay down the debt. Debt repayment is a very serious issue. As my colleagues opposite know, the debt has grown under their government by some \$13 billion. We are now \$162 billion in debt. That costs this province an estimated \$9 billion per year, or \$1 million that could go into tax reductions or other needed programs. But instead, they're backtracking on the plan to pay down the debt. Can you imagine that: \$1 million an hour? That's a lot of year-end grants to cricket clubs when they're only asking for \$150,000. The real problem here is that that's \$1 million—not being taken from the member for Northumberland. No, it's from my daughter, It's from

Ms. Jones's daughter and it's from the kids of this province who are expecting to grow up in a prosperous province. But unfortunately they don't understand the challenges of our economy.

The state of our economy right now is such that we've lost close to 200,000 manufacturing jobs since you people have taken office. We have seen unemployment in this province for the first time in 30 years lead the national average. Can you believe that? Then they built this bill, this piece of legislation, this divesting in Ontario act, based on budget surpluses. They sold this bowl of goods to municipalities, saying, "Well you know, once we have \$800 million, you'll get this \$600 million." Do you know what? We're on the cusp of a recession that you folks have presided over, and you presided over this economy for the past 5 years, with 2000,000 manufacturing jobs lost, higher taxes and \$28 billion more in spending—

Mr. Garfield Dunlop: How much in higher taxes?

Ms. Lisa MacLeod: It's close to \$2,000, I think, per person. When you're looking at that—and then they're adding \$1 million per hour for what we are supposed to be paying toward the debt, or they're adding \$1 million an hour to the debt, you really get concerned. You get concerned that when they pretend they're going to give municipalities a lot of funding, with no strings attached, municipalities are going to expect that this is going to be sustainable funding. The challenge in the way they built this bill is that that funding might not be there next year. We may be into a serious recession next year. We may lose 200,000 jobs in this province next year, and that wasn't taken into consideration, not only in this piece of legislation but also in the budget bill itself. And I think when you look at that, that's a real issue.

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One of the other things that I'd like to just touch on is the previous budget, because this is essentially a budget bill. It was announced very near the time the budget was introduced, and this was one of the major planks. I have a real problem with the budget. It wasn't a very good budget because, again, it ignored the fact that the economy here in Ontario is slowing; that the major indicators are telling us that we have to reduce spending and that we have to target our spending in this province.

The government came up with three centrepieces in their budget—or one major centrepiece and two other little offspring. What troubles me about that is, of the three cornerstones in this budget, one was skills investment and second-career training. That money was not new money from this government. In fact, it was money that was announced by Prime Minister Harper earlier this year, which was rebuffed by this Liberal government. In fact, Premier McGuinty at the time wasn't very fond of this \$500-million announcement from the Ontario trust that Prime Minister Harper had set up. Rather, what happened is, the Premier decided to rebuff, rebuke, and then he ultimately repackaged Prime Minister Harper's skills training plan and ended up putting it into his own second-career training strategy. The skills training is a recycled plan from the feds, so it's not even real money that came

from the province. In fact, when it came time to sign on the dotted line, do you think these guys did it? No. They waited until the day after they tabled the budget to actually call the finance minister and the Prime Minister to say, "I'm going to sign on the dotted line so we can get that money."

The second issue—and we're talking a lot about health care. That plank in the budget was yet again more recycled federal money. The federal health increase in transfers was roughly similar to what we've seen in this budget in health increases. So again, it's just recycled federal money.

Of course, the third thing that they're most proud of is this bill, what I like to call the divesting in Ontario act, which is just a legalized form of slush funding—a total of a page and a half in length and essentially a bill that, I can tell you, I don't think will do anything for the province's municipalities and our infrastructure budget and deficit.

The Toronto Star recently reported that a former Liberal member of Parliament, who's now a city councillor in Mississauga, said of the Liberals, "They are playing games with us," that Hazel McCallion "is willing to take crumbs. I'm not."

It said that she "slammed the provincial plan, saying the proposal leaves too many questions unanswered and would leave cities in the lurch if there's a recession."

I think if you go back and listen to what I've said today, this is indeed what's going to happen, and we'll remember in four years. We'll look back and say, "We told you so, Mr. McGuinty and Mr. Duncan. This plan that you've put together has fooled people. You've made them think that they've got \$600 million to divvy up amongst themselves, but really they don't, because we are into a recession." This is exactly what Carolyn Parrish was talking about.

The Star then goes on to say, "What is needed is consistent long-term funding, not a system that leaves municipalities dependent on the possibility of a surplus"—again, the possibility of a surplus. "The legislation still puts municipalities in the situation of having to go cap in hand to Queen's Park every year."

Then she goes back to the downloading and this fiscal review. When is that going to be tabled in this Legislature, I have to ask the crowd opposite.

The Toronto Star said again last week, "Duncan's Bill is Flawed...."

"A close examination of its contents shows no mention of municipalities or infrastructure," as we mentioned here a few minutes ago. "Nor does it set out the threshold or formula for distributing the surplus money."

Now, if that isn't a boondoggle waiting to happen, I don't know what it is. But the Toronto Star gets it right here, because they do put the caveat there. They say, "Be aware that there is no threshold, there is no formula for distributing the surplus money."

They say, "Instead, the bill provides that payments may be made to an 'eligible recipient'—defined only as

an entity ‘that does not carry on activities for the purpose of gain or profit.’”

Again, of course, it leaves the bill—and all the money that goes out the back door—to be decided through cabinet. So you’re now allowing cabinet, as my colleague the member for Niagara West–Glanbrook would say, to “hand-pick a wide variety of grant recipients that suit (its) political purposes.”

This is a political bill—nothing more, nothing less. They are legalizing a slush fund. They want to close the debate tonight so that we won’t talk about it and expose this further, so that our good friends at the Toronto Star and the Toronto Sun will stop writing about how flawed this bill is.

Let’s go to our friend Christina Blizzard from the Toronto Sun. She called this piece of legislation “voodoo economics.” She said that’s what “Finance Minister Dwight Duncan was indulging in yesterday when he came up with his plan to allocate ‘unanticipated surpluses’ that came in at the end of a fiscal year to municipal infrastructure.”

This is what Christina Blizzard says: “Here’s how I read it: When the government public accounts come out in July, if there is more money in the provincial kitty than they’d expected in their third quarter projections, then some of that will be allocated to municipalities. Last year, there was a \$2.3-billion surprise surplus. Under the current law, all that money goes to pay down the province’s massive \$163-billion accumulated debt.

“Under the new plan, if the extra cash is more than \$800 million, then the first \$600 million will go to pay down the debt. The rest gets distributed to the province’s 445 municipalities....”

Here’s where I have a problem with that. I represent the second-largest municipality in the province of Ontario. I’ll tell you what we received: \$14.9 million—no strings attached, out the back door. And what did they spend it on? Do you think it was spent on roads, bridges and infrastructure, as it was intended? No. It was spent on shovelling snow. It literally was a slush fund to pay for the slush on the streets of the city of Ottawa. The second-largest city in this province is relying on scraps. Not only did we only get \$14.9 million and it had to go towards paying for the slush to be shovelled, we didn’t get any funding for one of the largest infrastructure priorities in the city of Ottawa, which is the Strandherd-Armstrong bridge, in order to expand rapid transit.

If you’re wondering why our municipality has to put their \$14.9 million intended for municipal infrastructure into its operating costs, I’m going to tell you why: We’ve got something called the McGuinty gap. Between 2004 and 2006, between three vital local services, there was a great discrepancy between what the city of Ottawa received per household and what the city of Toronto received per household. For transit, the Liberals gave the city of Toronto \$246.06 per household, while Ottawa only received \$54.44. For general government services, Toronto cashed in at \$191.97 per household from the province; the city of Ottawa got \$4.44. Toronto got

\$511.86 per household for ambulance services, while the city of Ottawa received \$370.

1910

I notice there are two members from the city of Ottawa over there. I have no idea how they can bite their tongue in their caucus, because guess what? The people in our city received \$519.75 less per household than the city of Toronto. Our city taxes are 7.5% higher because of them. I’ll tell you something. That’s why our city had to pull out a certain portion of their infrastructure funding toward operating costs.

Interjections.

Ms. Lisa MacLeod: I just want to go back—I know I’ve got them all upset over there and that’s great, because I’m upset too. With the last minute I have here, I’ll talk about an issue of the Legislature, trying to make it more family-friendly like they had promised just before the session resumed in December. We weren’t going to sit nights anymore. Here we are, sitting in the evening, because they want to ram through pieces of legislation that are ill-conceived and ill-thought-out.

They’re not going to do anything for the longevity of this province, to sustain our municipalities and to protect our taxpayers. I think they ought to be ashamed of themselves for putting a piece of legislation—I don’t know what the word is; you want to say shameful, but that’s probably too soft. It’s cynical; it’s fluffy; it does nothing. It has no long-term planning attached to it, no long-term funding attached to it. They basically just rolled up their little goody bag and said, “Here are some trinkets and baubles and some recycled federal money.” And guess what? That’s it.

The Acting Speaker (Ms. Andrea Horwath): Questions and comments?

Mr. Lou Rinaldi: I won’t take my two minutes because I probably need two hours, but I just want to make a quick comment. The member for Nepean–Carleton is criticizing the money that we’re giving to municipalities to help them along.

I was in municipal government when that party was in government. We actually got transfers: downloaded highways, downloaded bridges, downloaded social services. There was no money, not even invoices. I just can’t get it. I just don’t understand where they’re coming from. I’m going to end right here because this really makes my blood boil.

Mr. Norman W. Sterling: As I said to one of the other members of the Liberal caucus, if you don’t like it, upload them. Quit complaining and upload them.

Mr. Lou Rinaldi: We have been.

Mr. Norman W. Sterling: They’re still complaining. Upload them.

I think the worst part of Bill 35 is this: It leads us away from accountability and transparency in the government. What it does is it allows the government to flush money out in August from the previous year’s budget, without any strings attached to that money. It basically takes away from the trust that the taxpayer has in their government. In my view, governments are charged, when

they receive taxpayers' money, to be certain that that money is spent for certain purposes. In this case, the government would have no idea, either about the quantum of money or what it was going to be spent for.

We have seen a recent example in our great city of Ottawa with regard to this government giving the city of Ottawa \$14.9 million for "infrastructure." It's a small amount in comparison to what the previous Harris government gave the city of Ottawa. But what happened here—and this is a classic example of why this year-end spending is bad—is that they can't call the city of Ottawa to account for that \$14.9 million, because in order for them to get the expense in the last year, they have to give it unconditionally.

So the government can say, "We're giving you this money for infrastructure." Presently, if they write the cheque before March 31, they don't have any conditions on it. The only way they can expense it in the previous year is by making it unconditional. That's why this is a bad bill. It's about lack of accountability, not accountability.

Mr. Gilles Bisson: I'd like to commend the member for a great speech.

The Acting Speaker (Ms. Andrea Horwath): Questions and comments? The member for Dufferin—Caledon.

Interjections.

The Acting Speaker (Ms. Andrea Horwath): I'm sorry. My error; I apologize. The member for Scarborough—Rouge River

Mr. Bas Balkissoon: I just want to thank my colleague in front of me for raising the awareness of the Speaker that I was standing up. Thank you, Madam Speaker.

Let me say that as a former municipal politician too, I sat on municipal council during the years of the Mike Harris government, and I've got to tell you that the downloading that occurred then of many of the services did put municipalities in a lot of difficulty.

What this government has been doing, as the previous speaker was complaining about, has been uploading. We've uploaded ambulance services. In fact, in this budget we're uploading ODSP. We're back in the transit business. This government has launched a major transit plan and is funding it.

It's really difficult to sit here and listen to the complaints from the other side when they're fully aware of what problems they created in the past, and this government has been doing everything to respect municipalities and invest in municipalities again.

The Acting Speaker (Ms. Andrea Horwath): Response from the member from Nepean—Carleton?

Ms. Lisa MacLeod: I love listening to the Liberals, because they forget that when Mike Harris was in government, we had the strongest economy in this country. We were creating jobs and creating opportunities for young Ontarians. But I digress, because we're actually talking about Bill 35, their divesting in Ontario act, and I'm going to just make my points again as subtly as I'm going to have to.

They have undermined their own Provincial-Municipal Fiscal Service and Delivery Review with this bill. They've legalized a year-end slush fund that sends money out the back door with no strings attached, no accountability and no formal process. They are taking away from debt repayment in this province, which is close to \$200 billion, and they've done this. Their recent budget was built on a deck of cards of recycled federal money for skills training, recycled federal money for health care, and then this slush fund. In Ottawa, this slush fund money quite literally was used to shovel the slush, and they have refused time and again to provide municipalities with stable, long-term and transparent funding. This has created, in my municipality, the McGuinty gap.

I can tell you that I will be voting against this piece of legislation as well as the budget bill, because I think these folks are out to lunch. They have decided that the economy is as rosy as in their dreams, but I think the rest of us in this Legislature and most of the people out there in the communities we represent understand. We're hitting a recession, folks. There's going to be no surpluses for you to give to municipalities in another year.

The Acting Speaker (Ms. Andrea Horwath): Further debate?

Ms. Helena Jaczek: It gives me great pleasure to rise in support of this bill. I certainly believe that this bill is typical of our well-balanced, prudent approach to the economic situation we're faced with.

First of all, to pay down the debt to an extensive amount shows that we are cognizant of our requirements in that regard, but more importantly, as I've heard from a couple of my colleagues who were municipal councillors—even though I was not elected, I was the commissioner of health services; I heard those debates at regional council in the municipality of York. I was very much aware of the distress municipalities found themselves in.

I've been consulting with the four municipalities in my riding, those municipal mayors and councillors, and they keep telling me how impressed they are with this government's approach to their needs. They are trying to make up for the years of neglect that they suffered under the previous government. They have many priorities within their municipalities, and any assistance that we can give them will be most welcome.

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The Acting Speaker (Ms. Andrea Horwath): Questions and comments?

Mr. Norman W. Sterling: The member talks about how much they are paying down the debt of the province: some \$600 million. I want to remind the member that if you look at page 156 of the budget documents, this page shows that the increase in the debt incurred by this government over the last year—when they had \$5 billion more in revenue than they had anticipated—was \$5.5 billion. You're paying off \$600 million. You're short by \$4.9 billion. You've created \$4.9 billion of new debt. Now, what that means is that each year, my grandchildren and my children are going to have to pay

over \$300 million in interest costs as we go forward. So you haven't done a good job at all in terms of reducing the debt. In fact, when McGuinty came to government, there was about \$149 billion in debt, and now there is \$162 billion in debt. You've increased the overall debt of this province by over \$13 billion, and at a time when you are collecting record revenues from year to year.

This is not a government that has been fiscally prudent. What they have been doing is that they have been building some hospitals, some schools and some roads, but they haven't been paying for them. They have been mortgaging them. What they do is, they don't pay cash like they did in the old days of government; they mortgage the future. They put a mortgage on everything, and that's what is happening year after year as we go forward. In fact, they're anticipating increasing the total debt by another \$5 billion next year. So every building, every school that's going up, every hospital, every bridge, and every highway is being mortgaged. They are not paying for it. This is a bad government.

Mr. Pat Hoy: I'm pleased to join again in commenting on Bill 35, the Investing in Ontario Act, at this time of its second reading.

This act is just an extension of what we've been doing with our municipal partners over our years as a government. We've been working hard with them on issues that are important to them and to the province and, more so, to the people in our own municipality—each and every one of us. We have been partnering with them to develop affordable and sustainable ways of funding services and ways of delivering them better and directly. Since 2003, we have more than doubled our support to municipal operating budgets. In 2008, this means that over \$2 billion in ongoing operating support will go to our municipalities. This is all very good news.

We are uploading ODSP and other costs from municipalities. We are saving more than \$935 million. It's a tremendous amount of money, a new breath of fresh air for municipalities as we work with them to upload what had been downloaded in the past. We have uploaded public health and land ambulance costs. We're delivering over \$1.6 billion in gas tax revenues to municipalities by 2010. Our Ontario municipal partnership fund is one that is important to many municipalities, no less so mine of Chatham-Kent-Essex. By the way, the Essex portion of my riding is Leamington, the tomato capital of Canada.

So these are all of benefit to the many ridings and municipalities they're in, and it doesn't end there. This year, over \$870 million was transferred to municipalities. It's an increase of 41% since 2004. These are huge numbers: a \$540-million cut to the BET, the business education taxes, for 321 municipalities, and the list goes on and on.

Ms. Sylvia Jones: I'm pleased to rise to speak on Bill 35. I think ultimately there are two reasons why we are debating this act tonight.

I have spoken to many municipalities in Dufferin-Caledon. I've spent the last weekend working the home show, and almost without exception, the mayors and the councillors all came up to me. They have concerns, and

the concern is that this bill gives them no planning ability. There is no vision in Bill 35.

There are two reasons why we have to talk about Bill 35.

The first is to legalize the end-of-year spending condemned by the Auditor General every year this government has been in power. Five years, and the Auditor General continues to raise his concerns with why they shovel out money at the end of the year without the proper controls. You got caught, and now Bill 35 is your way to solve it and your way to bring it forward for the next four years that you're in power.

The other reason we are debating Bill 35 tonight is because the Liberals want to remove a Progressive Conservative bill that mandated that all surplus must go to pay down the provincial debt. Our member from Carleton-Mississippi Mills raised a very important point that I don't want to get lost in this debate over Bill 35, and that is that right now, our provincial debt in Ontario is sitting at \$162 billion. That is an increase, and it is only going to continue to increase if we allow Bill 35 to be passed for the next mandate. You are pushing away the Progressive Conservative bill that said all surpluses must go to paying down the government debt.

Hon. M. Aileen Carroll: I think indeed we are trying to avoid the pedagogy of the opposition, just as we are attempting at every opportunity not to go down the same roads they went down when they formed the government of Ontario.

As a new member of provincial Parliament, the experience I've had in my constituency office, I think, is directly relevant to our discussions tonight. At every meeting that I have with people from the county, people from the city, it's a whole refreshing attitude. They come to tell me how different life has been for them during the last four years of this mandate vis-à-vis the years before, under Premiers Eves and Harris. Whether they're talking about affordable housing, whether they're talking about the environment or the reinvestment in education or the reinvestment in infrastructure, every meeting begins with, "Thank you. Life is so different for us now." Of course, I'm quick to say the thank-you is not mine, but belongs to the team I've now joined. Just to listen to the people who are impacted by the changes in the government's policies, by the whole new direction that this team on this side of the House has taken in reinvesting in government and in agencies throughout that were shredded by the former administration, is simply amazing.

So I have no difficulty at all endorsing this very balanced bill which addresses the debt and reinvests in the services that were so badly mauled by the government under the years of the Premiers who represented that side of the House.

It's my pleasure to join an incredible team in continuing to reinvest in Ontario and, by doing so, in our municipal infrastructure, our social housing, and everything that this bill relates to.

The Acting Speaker (Ms. Andrea Horwath): Response?

Ms. Helena Jaczek: I'd like to thank the members for Carleton–Mississippi Mills, Chatham–Kent–Essex, Dufferin–Caledon and Barrie for their thoughtful comments.

I continue to be persuaded that this is an excellent bill. I think the comments related to what to date has been removed from the property tax bill, to the increased funding for public health, for land ambulance, the funding of the ODSP. These are all significant moves that have helped municipalities. This bill, as our Minister of Finance has said, is clearly another assistance to municipalities, in addition to so many other benefits that they've received through the McGuinty government.

I feel that in this climate, the type of prudent, well-balanced approach of paying down some of the debt and yet stimulating in the short term with these infrastructure projects definitely will bring new jobs to my riding, and, in the longer term, of course, is a real investment in our community. So, having heard all the comments, I remain committed to supporting Bill 35 as an excellent way of moving this province forward.

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The Acting Speaker (Ms. Andrea Horwath): Further debate?

Mr. Norman W. Sterling: As you know, Madam Speaker, as you serve as one of the members of the public accounts committee, we sit with the auditor each week in that committee and are told each week that we want to call the government to account in that committee as we go forward. I guess what troubles me most about this particular bill is that it talks about reinvesting in Ontario, but really what it is, is a bill to allow the government to give unconditional grants out to anybody, maybe municipalities or maybe other non-profit groups as well, without any accountability.

I thought it would be helpful for people who might be listening to go over the process so people understand what, in fact, is happening here with regard to this bill. Our budget year starts on April 1 of each year and ends on March 31. The government brings its budget in at the late part of March for the upcoming year.

The way governments have made budgets in the past is that they estimate what the costs of running their operation are, creating new programs in the budget, increasing programs as we go forward. Then they calculate what that cost is going to be and calculate what the revenues are going to be for the upcoming year as well.

In this particular case, in terms of dealing with municipalities if they have a shortfall of money, I guess the most prudent thing for the government would be to create some kind of revenue stream that would be constant and consistent as we go through the years, so that in March of the year they would say to the municipal governments, "We will give you a certain percentage of the income tax of the government this year," or "We will give you a certain percentage of the sales tax," or whatever, if they wanted to help them out. That would be a constant stream of money to our municipalities that they could count on. This bill, as you know, guarantees nothing to the municipi-

palities at all. In fact, it says if there is not a surplus of \$800 million, they get nothing. If it goes over \$800 million, they can receive up to \$2 billion going forward.

The strange part of this bill is that it seems that the government is intent, as they have been in the past three or four years, on creating huge surpluses. When they get into the month of March, the last month of their financial year, they want to get rid of that money. Their first desire is to balance the budget and make certain that their revenue exceeds their expenses. But I get the impression from this government that they just want to get over that line. They don't want to create a surplus and restrain any expenses. We have seen this government, year after year, try to spend a great deal of money in the month of March. I'm going to quote what the auditor had to say over the last three years about that particular habit.

While the fiscal year ends on March 31, it's not until July or August, four or five months later, that an accurate accounting of the revenues and expenses takes place. While the government is in a pretty good position to try to estimate in March how much to flush out the door before March 31, they haven't got all the numbers in at that stage. But in July or August, a document comes out, produced by the internal auditors of the government, which has all of the columns added up, and it produces a number as to what the surplus is for the previous financial year.

Last year, that report came out in August, and much to the chagrin of the government, they ended up with too big a surplus, because the way they've acted in the past is, they just want to get over this line. They want to say they've balanced the budget, but they want to throw the rest of the money out to people in various different ways.

Last year, they created more than \$2.3 billion in debt, but they didn't think that they should pay down that debt first and then distribute the money later. At that point in August or July when the public accounts come out and they find they've got a surplus, the government has no choice what to do. They have to pay down the deficit. That's all they can do. They can't create new programs at that time and attribute them back to the previous financial year.

That's what this bill is about. This bill is about trying to say, "We get a number in August which is much higher than we thought, and we want to throw that money out in unconditional grants to either non-profit groups, municipalities or whomever." Interestingly enough, in Bill 35, they don't even mention municipalities. They mention other groups, but municipalities could be included in that group.

Why was it good last year that the \$2.3 billion went to pay down the debt? It's good because the \$2.3 billion that we paid down saved us \$135 million this year and will save us \$135 million dollars next year and each year after. I think we could increase the program for autistic children tremendously by an infusion of \$135 million dollars. But this government is intent on getting rid of all of the surplus without paying down the debt. They could save significant money going into the future.

Over the past three years, this government has made a huge effort to get rid of all of the balance of the budget. So each year, this government has written huge cheques, mostly to municipalities, in the last week of March. In fact, three years ago they wrote cheques to various rural municipalities across this province for roads and bridges. They did it so quickly, do you know what they did? They wrote cheques to counties that had no roads or bridges. Hastings and Frontenac counties both received cheques—one for \$1.6 million and the other one for over \$2 million—for roads and bridges. Oddly enough, Hastings and Frontenac don't have any roads or bridges to take care of. They're all taken care of by lower-tier municipalities. They were so anxious to get the money out that they couldn't do it competently. It's craziness.

As I mentioned before in one of my responses, they recently gave—in March of this year, a couple of weeks ago—to my city of Ottawa \$14.9 million for infrastructure. Number one, everybody else did better than the city of Ottawa in terms of what they got out of the slush fund at the end of the year. But number two, it illustrates exactly why this practice is bad. This practice is bad because the city gets \$14.9 million, ostensibly for infrastructure, and they can spend it on anything they want. Any municipality that received a cheque—\$450 million went out to various municipalities at the end of March. They said, “We'd like you to spend it on this or that,” but if they don't spend it on that, there are no consequences. They don't have to give the money back. They could spend it on their operational budget and knock their tax rate down. So the tie between the government that collects the revenue and the spending of the money has been lost. That is very, very bad in terms of responsible government.

Is this practice wise? Our Auditor General certainly doesn't think so. He's spoken out against these unconditional year-end grants, which have been hurried out the door so they can be counted within the fiscal year's accounts. See, they want to increase their expenses at the end of March.

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I want to read from the Auditor General's 2005 report on this matter. This is the Auditor General speaking in his 2005 report:

“Based on a review of a number of transfer-payment transactions that occurred near the end of this fiscal year, we continue to have concerns in this area. Normally the government provides transfers to its service delivery partners on an as-needed basis. Operating transfers are generally provided over the course of the year as such funds are required to finance operations, and capital funds are normally provided on a cost-recovery basis as the transfer-payment recipient completes specific stages of a pre-approved capital project. However, just prior to or on March 31, 2005, the government entered into a number of transfer-payment arrangements and expensed the amounts involved, thereby increasing the deficit for the year by almost \$1 billion more than otherwise would have been the case. None of these transfers were origin-

ally planned for; that is, none had been included in the government's budget for the 2004-05 fiscal year, and in many cases, normal accountability and control provisions were reduced or eliminated to make the transfers ‘unconditional,’ thus helping ensure that they would qualify for immediate expensing.”

Do you know what you have here? You have a government that is so driven to driving their expense column up, when they see they have a little extra money, rather than paying down the debt, they're willing to give this money out willy-nilly. That's essentially what the auditor says here in his criticism. You'd think that would be enough, but in 2006 Mr. McCarter repeated his condemnation of year-end spending sprees on page 343 of his 2006 report.

The Auditor General: “Again this fiscal year, we continue to have concerns, specifically regarding the relaxing of normal controls—shortly before the fiscal year-end”—that is before the March 31 deadline—“for unplanned transfers that the government makes to its service-delivery partners.”

He continues:

“However, just prior to or on March 31, 2006, the government entered into a number of transfer-payment arrangements and expensed the amounts involved, thereby reducing the surplus for the year by almost \$1.6 billion more than otherwise would have been the case.” If it weren't for the different numbers in the two quotes, you would think I'd just made a mistake in reading those numbers. But no, the government didn't listen to his comments in 2005; they're not listening to him in 2006.

Then, at the end of the fiscal year 2006-07, the government was caught handing out money by the Minister of Citizenship and Immigration without any application process or controls. The auditor was asked again. Let's see what Mr. McCarter had to say:

“In general, as we have noted in previous annual and other reports, year-end grant expenditures have involved reducing the controls normally in place for regular grant programs administered throughout the fiscal year.” In that case, the year-end grants made headlines because of the ridiculousness of some of them, such as the \$1-million grant to the cricket association. Unfortunately, this government has demonstrated by the introduction of this bill that it not only intends to continue on with what they have done in the past, but they want to make it worse.

We all remember the scandal with regard to the year-end grants by the Minister of Citizenship and Immigration, the fact that there were no application forms—some groups were notified and some weren't. There were no controls over the money. In fact, we know that in some cases the grants were much larger than those asked for.

What Bill 35 does is it gives the government another chance to do what it has been doing the last three years and has been criticized by the auditor each year for doing it. But it allows them to do it in such a fashion that there is no chance we could end up, as we did last year, with a

\$2.3-billion surplus, that would be used to pay down the debt this government is accumulating so quickly.

What that bill does is say that March 31 is no longer the deadline. We have four or five months after that in which we can still give away money from the previous expense year.

I think the government has some real problems with this particular bill. This bill has not been passed; it was not passed in the last fiscal year. In effect, what they're trying to do here now by passing this legislation—and, as you know, they have the majority to do so—is they're trying to go back and change the rules for the accounting procedure in the fiscal year 2007-08—last year, the one that just ended on March 31. I don't think they're going to get away with that and I don't think the auditors would look too kindly with regard to that particular matter.

This bill, I might add, is fashioned after a bill by a former Liberal Prime Minister, Paul Martin. But the difference with regard to what Mr. Martin did and what this government is trying to do here is that he passed the bill before the end of the fiscal year that they were trying to affect. So, Madam Speaker, not only do we have a bad bill, a bill which actually gets the government away from accountability for what they're doing with your money, my money and the taxpayers' money by handing it out to people on the basis of population or road miles or whatever the criteria are going to be—we don't know those criteria because, as my colleagues have mentioned before, this bill doesn't have much substance other than to give the cabinet, through the procedures of regulation, the power to make all the rules after the legislation has been passed.

The net effect of all of this, at the end, is this: Up to this point in our history in the Legislature, we have operated with the idea that the budget each year, as was read to us, tabled before us and passed before us in this Legislature, was an important document that would try to accurately reflect what the programs of the government would be and what the expected revenues of the government would be. The government then, as you know, tables the estimates, which define more closely what's in the budget. But with this kind of year-end spending which this government has undertaken, and now with this bill, one has to question whether the budget process is starting to lose the importance it has had in this institution for as long as it has; that is, why not just overtax the people? Why not just collect huge amounts of revenue and then sort of eyeball what the expenses might be? As long as you've overtaxed the people enough, you're going to end up with a pot of gold at the end, and then you just slush it out the door either before March 31 or in July or August of the year when the public accounts come.

The worst part of doing that is this: The recipients of that money, the slush funds, don't know if there's going to be money the next year or the year following. They all love getting a cheque; who doesn't love getting a cheque? They love getting unconditional cheques, as Ottawa did. They used it for clearing snow this past win-

ter. That's effectively what they've done with the \$14.9 million. It cost us something like \$23 or \$26 million extra this year in our snowplowing budget, because we just had huge amounts of snow. But that is not what a government's responsibility is to its provincial taxpayers. Our responsibility is to plan for the expenditures, collect enough revenue to cover those, pay down some of the debt and go home. It's not to create ideas for slush funds at the end of the year, extra lottery days at the end of the time.

The whole idea of government is being lost. Accountability is being lost in this bill; this bill has nothing to do with accountability. Perhaps the biggest irony in all of this is that it's called investing in Ontario. I don't consider giving money to the city of Ottawa to plow their streets in the winter to be investing in Ontario. I don't believe that.

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The Acting Speaker (Ms. Andrea Horwath): Questions and comments? The member for Pickering–Scarborough East.

Applause.

Mr. Wayne Arthurs: Thank you, Madam Speaker. It's almost enough to keep you awake.

Just a couple of minutes after hearing from the member from—what is it? It's Carleton–Mississippi Mills, as he's referred to, one of the deans of the Legislature. He, for one, should know, as I know he does, how pleased municipalities are after so many years to have a real partner in government. It's no wonder they welcome cheques when they do arrive to help them with their infrastructure needs because they went so long without them. They'd almost forgotten what it was like to have partners in government. These past few years, they've had an opportunity now to begin to rebuild those relationships, both on the operating side and on the capital side.

I had the opportunity just a couple of weeks ago to be in one of the municipalities that I represent, the Pickering portion of my Pickering–Scarborough East riding, and presented a cheque—in effect, an opportunity for \$1 million to go towards a \$4-million project that they've had waiting for some years on the shelf to do. It's exactly those kinds of projects that Bill 35 is going to support. We were fortunate that we had a good fiscal year and we were able to share with our municipal partners and look for projects that were, in this instance, shelf-ready. If they're aware that, if we had a good year, they should share in that largesse at the year-end, they can make sure they're prepared and ready to go with projects that will serve their constituents well.

I'm looking forward to the continuing debate and, ideally, should this bill be passed, to the opportunity for our municipalities to be able to continue to do the good work they're doing on rebuilding the sorely neglected infrastructure of so many years.

Ms. Lisa MacLeod: I'm so happy to stand up and speak to the speech that my good colleague from Carleton–Mississippi Mills just made. He and I are two

defenders of the city of Ottawa when the other members from the city of Ottawa on the government side decide to sit silently.

Interjection.

Ms. Lisa MacLeod: I think that the Minister of Community and Social Services isn't in her seat, so if she wants to comment, maybe she'll want to sit there.

What's very important is this divesting in Ontario act, which is essentially a slush fund. Then we hear about all of these awful things with the previous Conservative government, and I'm really getting sick and tired of hearing that, because I look next door, right across the way, and I see the Minister of Culture with her hands there and I'm wondering how proud you must have been to serve under Prime Minister Chrétien and Prime Minister Martin when they consistently cut and slashed social and health transfers to this province, during the Harris government, and every other province across this country. You can't look at me and tell me that during the time you were in government, there weren't nurses' strikes—

The Acting Speaker (Ms. Andrea Horwath): Through the Chair, please.

Ms. Lisa MacLeod: I'm sorry, Madam Speaker. It's just the height of hypocrisy of the folks over there, who hear no evil, who see no evil, and they don't know how to put a good budget bill together, or a supplementary bill to their budget, to help the people in the province of Ontario. The people who cut and slashed in this province the worst were Mr. Martin and Mr. Chrétien when they were the dynamic duo of Prime Minister and finance minister of this country. What they did to the Harris government between 1995 and 2003 was unbelievable. Quite frankly, we're fond of the fact that right now we're restoring what was intended under the Constitution Act by the Harper government, which is the proper funding roles and proper jurisdictions.

It's always great to hear them all talk over there, but quite honestly they'd better start doing a little bit of listening too.

Hon. Monique M. Smith: I'm very pleased today to speak to this bill that we are debating. I am very pleased to respond to some of the comments from the member from Carleton–Mississippi Mills, who is in fact an institution in this House, notwithstanding his bold comment tonight of referring to our government as a bad, bad government. He was in fact a member here when I was a page, so that gives you some indication of how long the member for Carleton–Mississippi Mills has been around. I've been waiting a long time to be able to say that.

I'm particularly pleased to be discussing this bill where we are looking to reinvest in our municipalities. My municipalities in the riding of Nipissing have benefited tremendously from our government and the McGuinty investments that have been made here. Previously, we were represented by a member of the Conservative government, actually the Premier of the Conservative government, who delivered nothing to my riding. The poor folks in Nipissing waited a long, long time for a hospital; we're building that hospital. The poor folks in Mattawa

waited over 30 years for a hospital; we're building that hospital. The four-laning of Highway 11 was started before my father was a member in the 1950s. Mr. Sterling might remember that—sorry, the member for Carleton–Mississippi Mills; it's a long name. That started in the 1950s, slowed right down during the reign of the Conservative government, and it is now back on track, due to be finished in 2012.

We are particularly proud of the investments we're making in roads and bridges across my riding, particularly the ones that were announced recently, through the municipal infrastructure funding and through the bridges and roads funding of the budget in March.

My municipality of East Ferris, represented by Mayor Bill Vrebosch, is receiving funding for Deerland Road. I have to tell you that one of the residents on Deerland Road was quoted on the front page of the Nugget as saying, "It's a dream come true," to hear that her road is finally being fixed, after years of neglect. This is a direct result of the investments of the McGuinty government, investments that we are proud to make in partnership with our municipalities, who were long ignored by the previous government.

Mr. Bill Murdoch: We're here tonight to listen to—we hope that the Liberals are going to listen to some sense.

Here you are, making a bill to make slush-funding legal. You got away with it before when you started giving to the cricket club and all that nonsense. You got away with it, so you thought: "Gee, you know, we might not get away with that for a second time. We'd better make a bill on this. Because we have the vast majority of people here, we can do whatever we want in here." And that's what you're doing.

It's great to hear one member over there—he used to be a mayor of a municipality—say, "Oh, well, the municipalities, sure, they're going to take the money." But your bill doesn't say they're going to get the money; it doesn't say that. So when you come to the year-end and you have this big slush fund again, you're going to start saying: "Who supports us out there? Who are the members who support us? Well, there's a cricket club, or there's a basketball club. Maybe we can send them the money." There's no guarantee in this bill for that.

So, you guys, it's nuts what you're trying to do over there, to make a bill so you can have a slush fund. Have you ever heard of anything like that? This even beats out the Liberals in Ottawa. I mean, you talk about them, and you couldn't have had a more corrupt bunch, and now you're sending some of them in here, but they were the most corrupt bunch we ever had up in Ottawa. Now you guys are saying: "We can do better than that. We'll make bills that make all this stuff legal." Next you'll be able to say—when we come in here, you'll want to charge us coming through the door, "so we can give it out to all our friends."

All this is is a bill so you think you can keep yourselves elected, be able to take whatever slush fund, whatever you can siphon off and flush it out the door. It's like

flushing a toilet. All you people want to do is flush money: tax people, tax them even more and then give it back to them. They'll catch you on your little game, you know. People aren't that stupid out there. All it is is you're giving them back their own money. It has nothing to do with you people at all. All you're doing is creating a bill that allows you to flush money out the door.

The Acting Speaker (Ms. Andrea Horwath): Response?

Mr. Norman W. Sterling: I think the members know that this is a bill about getting away from accountability rather than going towards accountability.

One of the interesting parts is that the members over there are talking about these municipal projects, but we have to look to the bottom lines of the budget. The fact of the matter is that the hospital in North Bay and those roads that you spoke about—the money that all of these municipalities received is borrowed money. It's not extra money; it's borrowed money.

The government, according to their own document, their budget, have increased their debt by \$5.5 billion. All of these projects together—Ontario highways, municipal highways, the schools, the hospitals—the total number on that is around \$7.5 billion. How much did they pay? They paid \$2 billion of the \$7.5 billion. The rest of it is borrowed.

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They want to talk about the fact that they are building them. You're not building them. It's my kids and my grandkids who are building those, because you're creating taxes for them. That's what you're doing. You're mortgaging our future at a faster and faster pace, and you're going to continue doing that, because you've predicted this year you're going to borrow another \$5 billion.

Why don't you use the money that you have now to pay for what you're building now? Then people would say you're a financially prudent government. You're not. You are a terrible government, in terms of finances. With that, I'll leave this debate.

The Acting Speaker (Ms. Andrea Horwath): Further debate?

Mrs. Christine Elliott: I do appreciate the opportunity to add some comments to the excellent points made by my colleagues here in the Legislature, the member from Nepean–Carleton and the member for Carleton–Mississippi Mills.

I said earlier, at the outset of this debate, that if ever there was a cynical piece of business, Bill 35 is one such piece. There's so much that you can talk about on so many levels that's bad about this bill.

Let's start with the statement that was made by the Minister of Finance at a press conference on March 12 this year that the Ontario government would be proposing legislation that would dedicate a portion of future surpluses to Ontario's municipalities to address infrastructure needs, such as improving roads and bridges, expanding transit and upgrading social housing. He also said that for surpluses of \$800 million or greater, \$600

million would go to debt repayments and the rest would go to municipal infrastructure. Well, conveniently, this year the government is only expecting a surplus of \$600 million, so for the fiscal year 2007-08 the municipalities aren't going to receive anything.

We've heard a lot of talk about how much money the municipalities have received this year, but in fact, as we know, that is one-time spending only. That's not likely to be repeated, certainly not this year or for the years to come, because this also assumes that the growth of the province is going to be proceeding along the lines that were anticipated by the ministry in the forecasts they've made, which may be somewhat rosy and probably are going to be somewhat rosy, given the economic storm clouds on the horizon. But that's something that this government refuses to speak about. They refuse to listen to the sensible voices that are telling them that we're about to have a huge economic downturn.

They're not doing anything to address the issues of the jobs that are running out of this province in droves, that are putting Ontarians out of work, because of the uncertainty that this government has created by having a lack of reliable energy that new businesses can count on, by not reducing the regulatory red tape that businesses face when they come into this province and, probably most importantly, by refusing to address the necessary tax reductions for businesses that would make Ontario an attractive province for businesses to come and invest in. We know that this is being done by governments across Canada of every political stripe. It's not just Conservative governments that are doing this; it's Liberal and NDP governments that are doing it, as well. But, for some reason, the McGuinty Liberals just don't want to come to grips with this and don't want to be honest with the people of Ontario about it.

As I said before, that's what the minister said on March 12.

But let's consider what the legislation itself actually says. Unfortunately, I need to use my glasses for this. Let's look, first of all, at what payments can be made. I'd like to quote from section 2 of Bill 35, which says, "The Minister of Finance may, out of money appropriated therefor by the Legislature and in accordance with this act and the regulations, make payments in respect of a fiscal year beginning on or after April 1, 2007 to eligible recipients on such terms and conditions as the minister considers advisable."

Next we go to section 1(2) of the act, which defines "eligible recipient." Here's where the devil is in the details. "Eligible recipient" means a person or entity, other than an individual but including a partnership whose members may be individuals, that does not carry on activities for the purpose of gain or profit."

Not anywhere in any of those definitions do you hear anything about municipalities. In fact, these payments can be made to whomever this government deems worthy of payments at the end of the year. It could be, for example, a cricket club or any other such organization. This could really have the effect of keeping municipalities in

line. Although we hear a lot about how this government wants to be partners with municipalities, in reality they're taking them for a ride and holding out the carrot: "If you are good, you'll receive some of these monies at the end of the year." But if they go offside, then they're probably not going to get those monies. So we have sort of an implied threat hanging over the heads of municipalities, and I think our municipal partners deserve better. They are acting in good faith, and they do expect this government, quite rightly, to live up to its promises. But I fear they are going to be disappointed, and it's not fair to them or to the taxpayers of Ontario.

In essence, we're coming back, as other members have pointed out here, to a legalized slush fund. As the member for Bruce-Grey-Owen Sound has indicated, you were likely to get in trouble about this—the Auditor General has repeatedly criticized you for these payments that you make out of end-of-year funds—so the only way to deal with it is to legalize your slush fund. That's the way we have it here. The Auditor General has criticized you repeatedly about it, and that's what we've got.

As the member from Niagara West-Glanbrook said earlier in the debate, "So I suspect that what we're actually seeing here today is a Liberal attempt to get around the Auditor General's review by deciding within cabinet which municipalities get the funding and how much. It's all done by regulations, as the minister knows. I think what we're going to see, actually, is another Liberal slush fund outside of the accountability parameters. As Dalton McGuinty himself likes to say, 'We've seen this movie before.'" How true: We have, with these cynical moves that are being made by this government.

Besides legalizing a slush fund, what else is this bill going to do? It insults the intelligence of all our municipal leaders by promising something that's probably not going to happen. We know it's not going to happen this year, we can pretty much assume it's not going to happen next year and, if the economic downturn happens as predicted, it's not going to happen for several years to come. This was noted by Mississauga Councillor Carolyn Parrish, who noted about this government, "They are playing games with us." What an indictment from a so-called municipal partner. She's not believing any of this, and I don't blame her. She said that some members are "willing to take crumbs," but she's not. So she's standing up to this, and she's making comments that I think ring true with many other municipal leaders across our province.

What they need is stable, long-term, predictable funding, not something that may happen, could happen or, if all the circumstances are right, is going to happen. As our leader, John Tory, has called it, it really is a crapshoot from year to year whether the municipalities are going to get the funding they need or not. That's not the way to be dealing with municipal partners. They have ongoing needs: road repair, bridge repair, infrastructure needs. They have to have some kind of certainty, from year to year, so that they can plan accordingly. But the McGuinty Liberals aren't willing to deal with this. They want to talk about partnerships with municipal leaders,

but they're not willing to treat them with the respect they deserve and give them the funding they need on an ongoing basis.

The other thing we have here is the whole issue of debt repayment, and that's something the member from Carleton-Mississippi Mills dealt with in some detail in his comments. It was also pointed out by our member from Niagara West-Glanbrook in his earlier comments with respect to this bill when he talked about debt payment. He commented: "Because as the minister knows, debt has gone up under the McGuinty government by some \$13 billion. We are now \$162 billion in debt. That costs an interest payment of \$9 billion per year, or \$1 million per hour, that could go into tax reductions or needed programs, but instead they're backtracking on any plan to pay down the debt."

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I'd just like to spend a few minutes on that, because there are significant ramifications, both long- and short-term, to having to pay off \$1 million an hour in debt. The long-term ramifications are of course the fact that our children and our grandchildren are going to be saddled with this debt. That's going to prevent them from being able to move forward on needed programs because they are going to be hobbled with this debt. I think any responsible government would realize this and take steps to reduce the amount of the debt, not increase the amount of the debt.

That's something my children are going to have to deal with. I have three 17-year-old sons who are, right now, looking forward to university programs. At some point, they're going to be the leaders of tomorrow. The member from Nepean-Carleton and many of the other members in this House want to be able to leave a legacy for their children that they can be proud of. That's not the case with this government.

But let's look at the short-term ramifications. The short-term ramifications of having to pay \$1 million an hour toward the debt each and every hour mean that we have to spend money servicing this debt that could be going into many programs that we need here in the province of Ontario. So to a lot of people, it may be sort of an ephemeral concept: "Oh, well, so we have this debt. What does it really matter? We'll just keep accumulating it." It has real effects on the bottom line and the ability of the government to deliver the programs we need.

There are many programs we could talk about that are going to be adversely affected by this additional debt, but probably the biggest amount that we spend with our tax dollars here in the province of Ontario is toward health care. What are the ramifications of not being able to put more money into health care? There are so many.

First of all, if I look at my own region, the region of Durham, of which Whitby-Oshawa is a part, we are underfunded for hospital health care. Never mind all the other ancillary health care that goes along with it, the children's treatment centres, mental health services in the community and so on. We're looking at actual hospital health care, and we are underfunded by over \$200 per

person compared to the provincial average. That is fundamentally unfair in a region that's one of the fastest-growing regions in Ontario, where the taxpayers pay the same amount of taxes as the other taxpayers in the province. We pay the health tax, as does everybody else, but I don't think there's a single person in Durham region who would say that we're receiving better-quality health care for the additional tax we're paying. We're paying hundreds and hundreds of dollars per person more and yet we're consistently being underfunded by more and more.

The gap is growing in Durham region, and this is having a huge effect on the health care needs of the people in Durham region and specifically in Whitby–Oshawa. We had a very big issue that's come up quite recently with respect to the Rouge Valley Health Corp.

Ms. Lisa MacLeod: What are they doing about it?

Mrs. Christine Elliott: They're doing terrible things. Thank you for asking. They are forcing the hospital board of Rouge Valley Health Corp. and the Central East LHIN to cut their budgets to meet the accountability agreements that the Minister of Health is forcing all the hospitals across the province to sign in order to receive funding for the upcoming year; this in an area where we're already significantly underfunded, where's there's been a promise that's been made that we're going to be receiving money for population-growth-based care, but the ministry hasn't even allocated that money yet. So they're asking hospital corporations to plan in a vacuum, but telling them that they need to balance their books on the basis of what they have now.

The ramifications of that in Durham region are going to be huge. Even though the Ajax hospital is not located within my riding, we have heard the member from Ajax–Pickering speak out on this and also reading petitions against the planned closure of beds and the transfer of all the in-patient mental health beds from the Ajax hospital to Scarborough Centenary Hospital. This is going to have serious effects on the health of our residents. Many people from my riding of Whitby–Oshawa also go to the Ajax hospital to receive treatment.

We actually had a public town hall meeting last Thursday evening in Ajax where over 1,000 people showed up to voice their concerns about these in-patient mental health beds being transferred to the Scarborough site, because it's not just a situation of maintaining that service within that hospital corporation. What we have here is a situation where people have to cross a boundary. That's a huge boundary to cross between Durham region into the city of Toronto's boundaries because it affects which ambulance service transfers those patients, which transit system people use in order to even manoeuvre themselves across Durham region. It's difficult without trying to connect the city of Toronto's transit system. So we've got all of those jurisdictional issues, with police response and emergency care people, trying to deal with that, which is sort of being dealt with as a small issue in terms of transportation.

We certainly heard from many of the speakers who came out to the meeting last Thursday night to talk about how damaging that transfer is going to be for people who are experiencing a mental health crisis. Many of the consumers who came out to speak said that if you're experiencing a crisis, you don't want to have to spend overnight in the emergency room of the Ajax hospital, wait 12 hours and then be transferred to Toronto the next day.

If you're in crisis, you need to be seen immediately by accomplished professionals—you need the treatment that you need. Waiting until the next day and saying that those services are going to be available at Scarborough Centenary—while it's a wonderful hospital, it's just not close enough to serve the needs of Durham region citizens. Peer and family support is so important here. You really need to have friends and family able to access those services easily, and that's not going to happen. We've urged the Minister of Health, and I urge the member from Ajax–Pickering to continue his advocacy with the Minister of Health, to urge him not to do this, to put some of that growth-based funding into alleviating the situation so that these much-needed in-patient mental health beds will not be transferred.

Ms. Lisa MacLeod: What they're doing is a shame, by the way.

Mrs. Christine Elliott: It's terrible and it is going to really have a significant effect on the quality of services that are going to be offered in Durham region.

The other major health corporation we now have in Durham region is the Lakeridge Health Corporation. Lakeridge Health Oshawa is currently operating at 100% capacity and they send their overflow to the Ajax hospital. How is this expected to work? Are they going to send people from Clarington to Scarborough for treatment? We heard time and time again from people: That's simply not going to happen. People are either not going to go for treatment because they fear they're not going to be able to receive treatment at their local hospital, or they're going to go to Oshawa, which is already overflowing. What are they going to do? There are some significant issues here. The issue of what we can do in order to deal with the ramifications from this bill and the implications of not being able to have enough money to spend because you're spending on debt repayment is very significant.

One other area I would like to speak about on programs that can't be implemented for this reason again relates to mental health, and I would just like to comment on the excellent work that they're doing federally. As you know, the Kirby report was issued in the spring of 2006. It was an excellent report that called for the development of a national mental health strategy. To their credit, the government has appointed money from two budgets since then. In the 2007 budget they allocated \$55 million to set up the commission to start its work. In the most recent budget, 2008, they allocated \$110 million to research pilot projects on mental health problems and homelessness in five cities across Canada. This is something that's excellent.

What we really need is for the Ontario government to step up to the plate. I note that there was one line in the 2008 budget that dealt with this. It said they “will be developing a comprehensive mental health ... strategy.” We haven’t heard a word about it. There have been no definite monies committed to this, there have been no timelines, there are no outlines of what they hope to achieve. So again we’re hearing lip service to all of this.

There is so much fragmentation in the way we deliver mental health services in Ontario; there are so many areas that are crying out for need. Every year we see a different area being addressed. One year it’s community mental health. One year it’s children’s mental health. All of them are valid. All of them are important. But what we really need to do is coordinate the delivery of the services: to figure out what the federal government is delivering—they deliver some services to certain groups of people in the armed forces and so on—and look at what we’re delivering provincially. We need to develop a comprehensive strategy to deal with mental illness, which is threatening to become an epidemic, certainly in pediatrics. The number of people who have come to see me in my community office about mental health issues affecting children is frightening.

2020

The Acting Speaker (Ms. Andrea Horwath): Can you bring that back to the bill?

Mrs. Christine Elliott: I’m bringing it all back to the whole issue of being unable to spend money on these quality programs because we’re spending so much money to service the debt. That’s something this government seems to have no problem with: spending billions and billions more dollars—money we don’t have. We had it when times were good, but times are not going to be as good in the next few years. I ask the members of the McGuinty government, what’s the plan? As we’ve seen with many other things, what’s the plan for dealing with the economy? We haven’t seen action on that. What’s the plan for coordinating health care services? What’s the plan for dealing with our transportation and infrastructure systems that are crying out in need of repair? We need to have a plan. It’s not just a question of spending money; it’s knowing how you’re going to spend it, what the result will be and, finally, being accountable to the taxpayers of Ontario, who, after all, deserve that for the hard-earned money they pay in taxes.

The Acting Speaker (Ms. Andrea Horwath): Questions and comments?

Hon. Michael Gravelle: I have been sitting here all evening, as most of us have, and I’m finding myself mystified by the official opposition, listening to them, quite frankly, show their lack of support for the needs of municipalities across this province. Here we have a piece of legislation that once again will find some way to help municipalities in the very difficult times they face, related to infrastructure.

Then, of course, I realized that I have to go back. I was one of those who were elected in 1995, and I sat here through the 1995 to 2003 period, particularly the 1995 to

1999 period when the municipalities were under attack every day by the Conservative government of the day. The fact is that they were beaten up pretty badly. Certainly, since we came to power in 2003, we’ve developed an entirely different relationship with municipalities based on an understanding that there is a tremendous infrastructure deficit in this province. We recognize, as do they, that you can’t fix that overnight; there’s no question about it.

There are real challenges out there, but there have been a number of programs that we put in place over the last four and a half to five years that basically are a reflection of the needs that are met by municipalities. Certainly, the MIII program announcement, which just came out a month or so ago, was very significant in terms of helping infrastructure, and I presume that my colleague for Whitby–Oshawa and the other members of the official opposition were supportive of that program.

What this legislation will do, quite frankly, is put in place the balance we need. Debt reduction will be in place up to the \$800-million figure, and above that, we will be providing infrastructure funds to municipalities. You tend to focus on the fact that there are no specifics, but the fact is, it’s very clear to municipalities. They have learned to trust us. They have learned to work with us. They certainly didn’t have trust for you. Certainly, I am absolutely delighted to stand here and support this legislation and, as I said, I’m mystified, shaken, but perhaps ultimately not surprised by the lack of support by the opposition.

Mr. Robert Bailey: I’d like to commend the speaker for Whitby–Oshawa, who expanded on the remarks of the member for Carleton–Mississippi Mills. It’s nice to hear the opposition acknowledging his long tenure and service in this Legislature. I didn’t realize that he was here long enough that some people were actually pages and went on to be elected later on. Anyway, that’s interesting. I also had the opportunity to hear the remarks by the member from Nepean–Carleton.

There are a number of shortcomings in this Bill 35, as people have spoken to: the lack of long-term, stabilized, assured funding for municipalities, which is something they look forward to. The way it is now, it’s going to be like a lottery process, and they’re always going to be wondering if they’re going to be receiving that kind of money.

Mr. Garfield Dunlop: It’s like a casino.

Mr. Robert Bailey: As the member says, it’s like going to the casino and pulling that arm.

I’d also like to speak to the fact that as we move forward, we need to look at whether there are changes we can make that could guarantee this funding for these municipalities to make infrastructure repairs. I was just reading in the paper today that in the Chatham-Kent area they had a bridge collapse and they’re wondering how they’re going to fund the repairs. There is probably a lot of other infrastructure throughout the province that is in that same case.

At this time, I’d like to conclude my remarks.

Hon. Christopher Bentley: It gives me great pleasure to speak in support of this bill, because it will continue the progress that our government's been making since 2003 in investing in communities.

With the greatest of respect to the comments from the member from Whitby–Oshawa, the people of London do not want to go back to where we were. They remember governments before 2003 that forgot London completely. I'll give you a simple example. The municipal partnership funding, which was invested to make up for the social services that the others across the floor had down-loaded: London was one of the few communities that got nothing, but under our government, \$14 million this year. Roads and bridges: roads funding totalling about \$20 million in the last two and a half years. That wasn't the experience they had before. Public transit funding: this year alone, \$9 million in gas tax funding, plus \$6 million for infrastructure, plus tens of millions of dollars that London has received for buses, paid for by the province of Ontario—all to support additional public transit in the community.

I didn't mention the \$11 million we just announced, with my colleagues Khalil Ramal and Deb Matthews, for Innovation Park, which will provide for service lands for jobs in our community. It goes along with the other investments we have been making in employment, whether it be through Diamond Aircraft; Toyota, just up the road; the extra shift at CAMI; or the Cakerie, most recently.

This is a good bill. It continues to move us in the right direction, investing in communities; not, as others have done in the past, taking out of communities. It's good for the people of Ontario, good for the people of London and good for the people of London West. I'm pleased to support it.

Ms. Lisa MacLeod: I want to congratulate my colleague from Whitby–Oshawa. Clearly this budget is not doing very much to address the issues that she's confronting within her community.

I just want to go back to Nepean–Carlton, where I represent a very fast-growing community—the largest community in terms of growth outside of the GTA. Our community has identified a major infrastructure project called the Strandherd–Armstrong bridge. It's a \$35-million commitment on the part of the province. Right now, the federal government has put forward its \$35 million. The city of Ottawa has put aside its \$35 million for this \$105-million bridge. We are still waiting for the McGuinty Liberals to pony up their \$35 million for this bridge.

It's a critical infrastructure project. It's going to unite two communities across the mighty Rideau River. They're two fast-growing communities, Riverside South and South Nepean. It will be a very important link that will run bus rapid transit, which is going to be integral as our community grows.

Unfortunately, there are two problems: First, it was so last-minute that it had no strings attached and ended up going where it wasn't intended to go; the second part is, the city of Ottawa received \$14.9 million, far short of the

\$35 million which is needed to build this critical piece of infrastructure for my community.

This week, I'm going to have an opportunity to put forward a resolution to request that the McGuinty Liberals step up to the plate to build that bridge. I'm going to need them to put aside their partisanship to understand that we need to build the bridge in Nepean–Carleton. It's time to build bridges.

The Acting Speaker (Ms. Andrea Horwath): Response?

Mrs. Christine Elliott: I appreciate the opportunity to make some concluding remarks. I would just like to pick up on one point that was made by the Minister of Northern Development and Mines, who indicated that our municipal partners trust us. You know, I say that they might trust you now, but they're not going to for too much longer. Yes, they received a lot of money this year, because they need it—it's about time, they're deserving of it—but that's where it's going to stop, because you know very well that there's not going to be any money to give out at the end of next year, or the year after, or the year after.

2030

Really, this whole promise of, "If it goes over a certain limit, you're going to get the rest of it," is just a ruse. You're just saying this because you want them to believe that you really are their partners, that you really are going to do something for them. But let's face it, the way this economy is going, there's not going to be a surplus of that amount. You're telling them what they desperately need to believe, but they're going to find out at the end of the day that the cupboard's going to be bare, there's not going to be anything for them, when what they really need, as you well know, is stable, long-term, predictable funding that's going to allow them to plan for their future. You can't plan in a vacuum. We've still got to deal with what services are going to be uploaded and how much and by whom. That report has yet to be completed. We're waiting till the summer for that.

The other shoe has to drop here. We've got lots of other issues that remain to be determined that our municipal partners don't know about yet. They're about to find out, and I don't think that trust is going to be there for too much longer. I see my colleagues here are definitely in agreement.

So what we have is another situation where you're saying one thing, but in reality, what we're still having is just a roll of the dice: Is there going to be money at the end of the day, and not only that, if there is money at the end of the day, are the municipalities going to receive it? Because the legislation doesn't require that. There's no indication that that's going to be the case except on your say-so so far, and I don't think you've got much credibility with the people of Ontario on that.

The Acting Speaker (Ms. Andrea Horwath): Further debate?

Mr. Garfield Dunlop: I'm very pleased to rise tonight to speak on Bill 35, An Act to authorize the Minister of Finance to make payments to eligible recipients—

which is anybody—out of money appropriated by the Legislature and to amend the Fiscal Transparency and Accountability Act, 2004, the Ministry of Treasury and Economics Act and the Treasury Board Act, 1991. It sounds pretty important. By the way, we won't be supporting this, as you can probably tell.

First of all, we had an evening here last week in the Legislature when there was a reception downstairs to promote adding women into the provincial Legislature. I have to say, we've seen tonight in our caucus—and I compliment all the women who are in the Legislature. But I think you've seen the calibre of people we've attracted to our caucus: Lisa MacLeod, the member from Nepean–Carleton; Christine Elliott, the member from Whitby–Oshawa.

I thought the comment made by Christine when she talked about her triplets—

The Acting Speaker (Ms. Andrea Horwath): Can I just ask the member to please address the other members by their ridings?

Mr. Garfield Dunlop: What's that?

The Acting Speaker (Ms. Andrea Horwath): The tradition is to address the members by their ridings and not their names.

Mr. Garfield Dunlop: Okay, I'm sorry—the member from Whitby–Oshawa and the member from Nepean–Carleton.

The member from Whitby–Oshawa is very proud of her triplets, and she wondered about them being the leaders of tomorrow, and I teased her a little bit after, saying “Well, how could they possibly have any leadership abilities?” Imagine a family where the father is the federal Minister of Finance and the mother is a solid member of a provincial caucus at Queen's Park. I just think that there are probably tremendous abilities there.

Following me, later on, will be the member from Dufferin–Caledon, who is originally from my riding and has just done a phenomenal job. I've got to tell you, there are probably more people in my riding watching the member from Dufferin–Caledon than are watching me, because they are so proud of her. She's got such an outstanding family in our community, who are proud of her as well.

I just want to say, that is how proud we are of our caucus members—and I hope all the members in the House are as proud of all their caucus members. But I think they've done a great job here tonight, and we'll look forward to the comments made by the member from Dufferin–Caledon in a few minutes.

By the way, I am amazed that the government hasn't put up more speakers tonight. If they're so proud of this legislation, you'd think they'd want to talk about it forever, but no, we're not hearing that. They give these little jibes and pretend that they care about the bill.

One of the things we haven't heard a lot about this evening is debt and the way we've increased spending in the province of Ontario, and I think the people at home should know about this. I don't see any fancy brochures, and it's certainly not put out in their press releases. From

1867 to 2003—that's how long it took to get the provincial spending to \$67 billion. And from 2003 to 2008, under Dalton McGuinty, we've now gone to \$96 billion. That's a \$29-billion increase in spending in that time which translates into 41%, as you're well aware.

If you take that from every man, woman and child, that means that the McGuinty Liberals, in each and every year they've been in power, have increased spending in the province of Ontario by around \$400, for a total of about \$2,600 for every man woman and child over that five-year period. So we should see money flowing to London, to North Bay and to Ottawa, and all these areas. We should see a lot of money flowing, because the taxpayers have been asked to spend that money. The government is trying to find \$96 billion, so we should see those improvements. We have seen some improvements in some capital projects, but those like this one—the member from Sarnia–Lambton talked about it earlier. We talked about it: It was like going to the casino. That's the position the government has put municipalities in.

First of all, there is no guarantee that it's going to municipalities; we know that. If they get mad at the Association of Municipalities of Ontario and they want to create a vendetta against them, they can put that money into something else. If in fact there was a surplus at the end of the year, they could put that into agriculture, for example, which they never would, because usually we cut money in agriculture. But the reality is that this government has this bill before the House with no guarantees that that money will flow to the municipalities. If a municipality has spent all the money on the engineering and the planning, and at the end of the year there just might be some money left over, then they would get it.

If there were any amendments made and we're actually going to committee with this bill, I would hope that you would, at least on this part of the bill, say, “Yes, the municipalities do get the money each and every year if there is a surplus, the way it is right now.” So that would be an amendment that I'd be prepared to make on behalf of our caucus, to say, “Make sure that the municipalities get it.” And if they're so pleased with the comments they've heard from their municipal partners, surely the government would accept that as an amendment. So I'm looking forward to making that amendment at clause-by-clause or committee hearings whenever we get to it.

We've just got to get back to the spending. For a \$29-billion increase in five years of spending, are we getting value for money? Is the money being spent wisely, efficiently and effectively in every way? The answer is no.

I have more people today coming into my constituency offices looking for a family physician than ever before. On the weekend, I was at a home show. We had a small booth at a spring home show, and the number of people who came to me and complained about the long-term-care facilities was absolutely unbelievable. I thought at first there must be something going on in the city: Why is everyone complaining about long-term-care facilities? But I got talking to a couple of the owners of some of the facilities. There's a problem out there.

There's a huge problem with lack of funding for these facilities. A lot of them are really upset with the minister because of his comments over the diaper issue a little earlier in the year. That was something that I heard a lot of.

The reality is that there are some huge, huge problems out there still. We've seen some money flow to some of the municipalities. I was pleased. How could you not be happy if some money flowed to your municipality? You can't sit and criticize the government for everything. But what I want to know is, is the money being wisely spent—the \$29 billion? As the member from Carleton–Mississippi Mills had mentioned earlier, we'll have some problems in the future—as we look forward to what kind of a debt we are leaving our children and what kind of a problem we're going to have as we enter this economic downturn.

I understand that this economic downturn will not be Dalton McGuinty's fault; it will be the Bush administration's fault, it will be the next administration after Mr. Bush, it will be the Harper administration, it will be the price of oil—it will be the fault of anybody but Dalton McGuinty, and that's wrong.

Up until 2003, the province of Ontario drove the national economy. We were the engine that made Canada strong, and now we are the weakest link in that economy. That is the problem—we've got a huge problem.

2040

I was really happy tonight when a few people mentioned the support of the federal government, because they certainly haven't been given credit here in this House. Let's talk about that for a second. Let's talk about the \$3.1 billion from the federal government that's sitting on the table for infrastructure assistance under the Building Canada fund. This government has not signed on to that. That \$3.1 billion is one third of the amount of money over seven years—it's a seven-year program—that would translate into \$9.3 billion if the Ontario government and the municipalities signed on to it. Imagine what \$9.3 billion in infrastructure assistance would do over seven years.

It's a finger-pointing game; we've seen a lot of that. The reality is, if the Ontario government signed on, that money would not be \$600 million or a lottery or something we got at the casino at the end of the year; it would be consistent, long-term, stable funding over a seven-year period. That's what we would get from the federal government if the Ontario government signed on to the Building Canada fund.

On top of that, we've got things like the \$311 million that's flowing to training, colleges and universities this year. That's new money from the federal government that's coming to this government under the labour market agreement. I know that a lot of that money was already used up in the budget under the retraining programs, and they bragged about that. But the reality is that we need to spend a lot of that \$311 million at our community colleges and universities, and we need to spend a lot of it on apprenticeships and that whole program as well.

That brings me to another point—a sore point—and I can't understand why the government won't move on this. It's the whole issue around apprenticeship ratios. There's a strong lobby out there right now, as we know, to have the Ontario government reduce the ratio to 1:1. For every journeyman tradesperson you have in the construction industry, you could have one apprentice. If you have five journeymen, you could have five apprentices. That's not the way it is now; it's 3:1. If you have nine journeymen, you end up with three apprentices. There's something wrong with that. In every other province in the dominion, it's 1:1.

We've got this lobby out there, and I know that we're going to continue to push for it. We're going to continue to ask the minister for it. If we're going to talk about retraining people and adding new jobs in Ontario, this is one area where we can make a huge improvement very quickly. I understand that today there are more auto mechanics over the age of 55 than under the age of 55. That came out of the census figures provided by the federal government six or seven weeks ago. The fact of the matter is that drawing young people and retraining people in some of these positions is an area we absolutely have to advance on.

The government is trying to say it's a safety issue. How can it be a safety issue only in Ontario and not in Alberta, British Columbia or Manitoba? In every other place, the journeyman ratio is 1:1. It's a place where we have to start. If the government wanted to make a really neat regulation change someday, we would support that change in a second, because that would add an ability for a lot of young people to enter trades. I'm not talking about the pre-apprenticeship programs; I'm not talking about the Ontario youth apprenticeship program. I'm talking about tradespeople who are actually able to sign on the dotted line—they are now full-fledged apprentices—and work for the next four or four and a half years, take their training at a community college and, at the end of that time, write an exam and become full-fledged tradespeople. That's something that I think this government has to make a move on. If you're looking at times when you're trying to retrain people, the timing is perfect for you to make those final changes—it's almost like a perfect storm. I would applaud the government if they were to move forward with that.

There are a number of other areas I would like to talk about, but I wanted to speak for a moment about policing.

The Acting Speaker (Ms. Andrea Horwath): Are all these areas related to the bill we're discussing?

Mr. Garfield Dunlop: Oh, absolutely.

The Acting Speaker (Ms. Andrea Horwath): I'd like to see the member come back to the bill from time to time.

Mr. Garfield Dunlop: Madam Speaker, where I'm going with this is very simple. We're talking about a bill—what's it called, what's this thing called at the end here?

Ms. Lisa MacLeod: Divesting.

Mr. Garfield Dunlop: It's the Investing in Ontario Act. Maybe we should call it the "It's Worth the Drive to Acton" bill. Do you remember there used to be the Olde Hide House there, and everybody went to the Olde Hide House to buy their leather goods? Well, there's no Olde Hide House anymore. They've gone under. They're not around anymore in Ontario. Do you remember how we used to go down Yonge Street—investing in Ontario?—and there was Sam the Record Man? It's all boarded up now, and there are 200,000 manufacturing jobs in Ontario where the buildings are now boarded up. If that's called investing in Ontario, it should be called the de-investing in Ontario act, because we're not moving forward in those areas. We have to move forward if we're going to rebuild Ontario.

Adding a slush fund at the end of the year, in my opinion, does not cut it entirely. If you're going to invest in Ontario, people must have jobs. There has to be an incentive for manufacturers and people who pay the big dollars, invest the real dollars in Ontario, and we're not seeing that. Why else would 200,000 manufacturing jobs leave the province? It doesn't seem to bother the Premier, in my opinion. I've heard his comments in question period, and it's like it's not a problem: "Don't worry. Be happy. The jobs will come from somewhere."

With trips like the one we've seen to China, maybe we're going to lose more jobs now. We've got offices set up in China to promote Ontario. Do you really think the Chinese people want a lot of jobs leaving China to go to Ontario? They're going to try to attract Ontario jobs to China. Of course, we've seen in these last few days that it has been a horrible time for the Minister of Economic Development and Trade to leave our province and head over there. I don't think the judgment was very good on that particular deal, and I don't think this is something we can blame on the federal government this time. It wasn't a trade mission.

Now I'm told today, and I don't know if this is true—maybe somebody can correct me in one of the comments at the end—but I understand this trip is worth \$300,000. Can someone correct me on that? Hundreds of thousands of dollars to send Minister Papatello, the Minister of Economic Development and Trade, over to cut a ribbon? I don't know how many other jobs are coming with that when she comes back. Maybe we'll be really lucky and she'll come back in a week or two and report that we've got all these manufacturing jobs coming back to Canada—they're leaving China and coming back here.

I just want to say—and I'm ready to close here—what a pleasure it has been—

Mr. Lou Rinaldi: Don't close, Garfield. Don't stop now.

Mr. Garfield Dunlop: I know my colleague from—

Interjection: Northumberland.

Mr. Garfield Dunlop: Yes, from Northumberland. I just know he wants to get up and give a long speech on this and rebut everything I've said. I know you do, because you're so supportive of this legislation. You think it's such powerful legislation that you want to stand up

and say that everything I've said and commented on tonight is wrong. The reality is that he likely won't say anything, because I don't think the government is very proud of this piece of legislation.

At a time when 200,000 jobs have left Ontario, calling a bill Investing in Ontario Act as a short title is really an oxymoron, because we're not investing in Ontario anymore. We've raised taxes; we've added \$29 billion to the provincial debt in five years. I hope communities are happy with this, but the way this bill reads today—as I said earlier, we will make amendments to this bill and hopefully the government will pass them. If there is surplus money at the end of the year, let's promise that the municipalities will actually get this money, if the government is intent on changing it, and not hold it over their heads so that if the association of municipalities puts out a press release and complains about the government in some particular area, they won't get the money that year. We don't want to see that sort of thing happening. We want to make sure that it flows right to the municipalities.

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Finally, I wanted to get around to the fact that as municipalities invest in public law, public safety and public security, we have to take advantage of the \$156 million that the federal government has put on the table. We've seen nothing in the budget for it. That's to add a thousand new police officers in the province of Ontario, 2,500 nationwide. The reality is, we see nothing that would indicate that this government is willing to spend any money on policing this year. All the extra money seems to be going into Caledonia.

I'll close up by thanking you for your patience. I'm looking forward to the comments and questions on my speech. I'm looking forward to the member from Northumberland getting up and giving a barn-burner on why this bill is so great. We keep waiting for it. He's been heckling me and other members all night. Hopefully he'll be here to provide some very positive, constructive criticism on the great comments that I and my caucus members have made here tonight on how bad this bill really is.

I appreciate the time, Madam Speaker; thank you for your indulgence.

The Acting Speaker (Ms. Andrea Horwath): Questions and comments?

Hon. Madeleine Meilleur: I'd like to speak on Bill 35, Investing in Ontario Act. If passed, this will allow Ontario to use year-end surpluses to help municipalities build and improve their roads. How foreign is that concept for the members of the opposition? This government works with municipalities; they are our partners.

I was listening to the presentation from the representatives of Nepean-Carleton and Carleton-Mississippi Mills criticizing the city of Ottawa administration. It's not new. That's the concept they brought to this Legislature when they were in power. Us, we're different. We're working with municipalities; we're helping them. For instance, we are investing almost \$100 million in the city of Ottawa to help them to repair their roads, and \$20

million was announced by the Minister of Municipal Affairs to build their new archives. We're working with them to help them to repair their roads and for the widening of Highway 17. Last Friday, I announced \$14 million for l'Université d'Ottawa and \$10 million for Carleton University. That's the type of partnership that the city of Ottawa is not used to, but this government will continue to work with them to make sure that the city is better for their residents.

Ms. Lisa MacLeod: It's wonderful to comment. My colleague from Simcoe North did a fantastic job, I think, of distilling this piece of legislation for what it really is. Just a comment: The Minister of Community and Social Services commented, and she may want to correct the record, about myself and my colleague from Carleton-Mississippi Mills criticizing the city of Ottawa's administration. We've never done such a thing. The only people we like to criticize are the members opposite for putting such poorly-thought-out legislation. She may or may not want to correct the record; I'm not quite sure. But it is consistent with the way they do business over there.

My colleague made two great points with respect to this piece of legislation, and I think they bear repeating. The first is, when the members opposite decide that municipalities aren't in vogue anymore and they want to instead put this funding elsewhere, they are completely entitled to. We're looking at a bill that's legalizing year-end slush funds. It's essentially a bribe bill too: "We can give you money and then we can withhold it." This is a real problem because again it goes back to the whole sustainability of this piece of legislation. It's like they're dangling it out with a little carrot—

Hon. Monique M. Smith: On a point of order, Madam Speaker. I don't believe that referring to anything to do with bribes in this House is parliamentary, and I would ask that the member be asked to withdraw.

The Acting Speaker (Ms. Andrea Horwath): Is the member willing to withdraw that statement?

Ms. Lisa MacLeod: No, I'm not.

The Acting Speaker (Ms. Andrea Horwath): I would ask the member to consider withdrawing the statement, please.

Ms. Lisa MacLeod: Madam Speaker, because I have respect for you as the Chair, I'll withdraw that comment. Having said that, I think there's a real credibility issue with that speech.

The other issue we have is, and the member here mentioned it, if they were so willing to uphold this legislation, each member in this House right now from the government side would be standing up and lauding it. Instead, they have ceded almost every single moment tonight to us for debate. That's how ashamed they are of this piece of legislation.

Mrs. Linda Jeffrey: I've been listening tonight. It's been a little challenging, but I was listening to what the member from Simcoe North spoke about. Frankly, I think the title of the bill, the Investing in Ontario Act, says it all. I think there are a lot of people in the chamber who

were former municipal councillors who have a visceral knowledge and a feeling about what used to happen when we were on councils. Myself, I was budget chair for probably four cycles in my municipal council, the city of Brampton, and I can tell you, I didn't see a dime from the province. I saw no partnership, no consultation. They didn't want our opinions; they didn't participate in anything we did. It was benign neglect, if I can say it's anything. So it was a very frustrating time. It was hard to do more and more with less and less.

Ms. Lisa MacLeod: On a point of order, Madam Speaker: I think it would probably be benign and very unparliamentary language to actually say that a previous administration, regardless of which administration it was in the last 167 years or what have you, would benignly neglect another level of government. I'd ask the member to withdraw.

The Acting Speaker (Ms. Andrea Horwath): I thank the member for her comments, but that's not a point of order. I look back to the member from Brampton-Springdale to continue her comments.

Mrs. Linda Jeffrey: I can think of one issue that really speaks volumes in my community. I think it was three budgets ago that we announced \$95 million in AccelereRide funding, which is transit for my community. I believe we announced it on a Tuesday; it was in the bank account on a Friday. My government delivered on those dollars, and my community was shocked at its speed. They had never dealt with a government that said something and then delivered it. So I have first-hand experience that we have delivered those funds. It's going to make a difference in my community. I support this legislation.

Mr. Norman W. Sterling: I'm really happy the member from Brampton stood up and talked about these cheques, because they were traditionally delivered to municipalities at the end of March every year, and nobody knows how much they're getting. In some cases, I understand, some municipalities this year asked for \$1 million and got \$2 million instead of \$1 million. You know what happens here? Normally, in the past, when governments wrote a cheque, they wrote a cheque for a project that in fact needed that money at that time to be spent on the project. This is money in advance, if you will. In fact, I can cite—I'm not going to cite the name of the municipalities, because they love it. A municipality with about 2,000 people in it got a cheque for \$7 million. It's in the bank. They're earning \$40,000 a month in interest off that investment. They're earning about 4%. Meanwhile, these guys have increased our total debt and are paying 6%. Do you get it? They give to a municipal government that has no intent of spending that money in the next three to four to five years—

Interjection: Oh, come on.

Mr. Norman W. Sterling: They don't; it's in the bank. And this is happening all over Ontario. They're getting money; they're putting it in the bank; they're collecting a little bit of interest. Meanwhile, you've increased the debt to put out this money and we're paying

more interest—a net loss for the taxpayers of Ontario. This is crazy. This money is not going to real projects; it's going in the banks of the municipalities. Yes, they might spend it in the next year; they might spend it two years from now; they might spend it in five years. But that's not the way government is supposed to work. You're supposed to pay out of here for real projects that are ready to go or have been built.

The Acting Speaker (Ms. Andrea Horwath): Response?

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Mr. Garfield Dunlop: I'd like to thank the Minister of Community and Social Services and the members from Nepean–Carleton, Brampton–Springdale and Carleton–Mississippi Mills for their comments. It has been a pleasure to speak tonight on this.

I came to Queen's Park in 1999, so I was on both sides of the government. I was in municipal politics besides that. I wanted to point out that one program alone has put \$20 billion to the municipalities in infrastructure programs around the province. That, of course, is the Super-Build program. I don't think there's a municipality or a riding that didn't benefit from that across this—

Mr. Bill Murdoch: Maybe Brampton didn't get any.

Mr. Garfield Dunlop: Maybe Brampton didn't get any, but most of the other municipalities did. I got millions and millions of dollars out of that in the riding of Simcoe North, both at the municipal level and the federal level. So I don't know where they got it.

What I really want to say is that the reality is—

Interjections.

The Acting Speaker (Ms. Andrea Horwath): Order. We're trying to listen to the response of the member for Simcoe North, and I ask for the co-operation of the members, please. Thank you.

Mr. Garfield Dunlop: I'm back to the overall spending, and I want to put it on the record again: It took from 1867 to 2003 to get to \$67 billion in spending in Ontario, and in the last five years, we've raised that by \$29 billion, to \$96 billion. That's a 41% increase in spending. How much longer can we sustain that kind of spending? What I'm trying to say is, are we spending the money wisely? That's what I'm worried about. I'm worried about my children and my grandchildren. I'm worried they're not going to be able to afford to live in this province. Because you can't go on forever increasing spending at 8% a year when inflation is at 2%. It's as plain and simple as that.

I appreciate the opportunity tonight, and I look forward to some of my other colleagues to carry forward as well.

The Acting Speaker (Ms. Andrea Horwath): Further debate?

Ms. Sylvia Jones: I'm very pleased to have the opportunity to bring this important issue to the floor of the Legislature for debate this evening, on the Investing in Ontario Act. Clearly, any legislation titled Investing in Ontario Act will be of interest to our government funding partners. So let's go back to the March 12 announcement

press conference where the Minister of Finance announced the intention of Bill 35.

The proposed bill, called the Investing in Ontario Act, would direct a portion of provincial surpluses to municipalities for infrastructure needs, such as improving roads and bridges, expanding transit and upgrading social housing.

I suppose in press conferences and news conferences you can say whatever you want, but let's go back to the bill. While any announcement of potentially receiving money is greatly appreciated by our municipal partners, the Investing in Ontario Act is yet another example of the McGuinty government's missed opportunity to capitalize and plan on long-term initiatives that will benefit the hardworking taxpaying constituents of this wonderful province.

Far too often, politicians and constituents alike hear from municipal councils threatening to shut down programs, or are unable to repair their roads and bridges. We hear the threats of municipally administered public transportation entities threatening to cut services and raising fares. Year after year, residents of municipalities all throughout the province ask questions like, "Why are the valuable community services being suspended or possibly terminated?" The reason is, because this Liberal government has failed municipalities when it comes to providing long-term funding.

The Investing in Ontario Act makes reference to eligible recipients, not municipalities. And while municipalities would qualify as eligible recipients, why is it that they are not explicitly mentioned in the legislation? Even if you were to make the argument that the government intended to include municipalities as eligible recipients, why does the legislation fail to even list entities that are considered eligible recipients and the entities that are not eligible recipients?

As a proud member of the Progressive Conservative caucus, I obviously was not at the cabinet meetings and conversations from which this bill developed, but if it was this government's intent to truly invest in Ontario, to leave a legacy for the years to come, I find it hard to believe that they would fail to specify and identify municipalities as eligible recipients and plan for this investment. Given that municipalities and the responsibilities that they have are inherently at the heart of Ontario communities, it's either that this government went through as much trouble as it could to exclude specifically listing municipalities as eligible recipients, or quite simply, they purposely forgot to specify our municipal partners. Even if municipalities were to be considered eligible, the bill does not stipulate how the money should be spent or even the basis on which the payments will be calculated. Rather than predetermining these details, the McGuinty Liberals have decided that these particulars will be left up to the cabinet.

These important aspects of funding are not being dealt with in the proper fashion, because only when municipalities can be guaranteed the stable funding they need are they able to prepare and allocate their resources.

Without certainty of funding, they are unable to proceed with the careful, prudent planning our municipalities want and are expected to do. This act will not change the fact that municipalities will be annually begging the province for money. While it does have the potential to provide the municipalities with extra cash, it doesn't make any guarantee that the money will actually come.

In mid-March, the Toronto Star went on record as saying, "In each of the following two fiscal years, Duncan has predicted end-of-year surpluses of \$900 million. While that figure would leave municipalities with \$300 million a year, the slightest error in Duncan's revenue projections—one tenth of 1%—would leave them without any extra infrastructure funds at all.

"This suggests municipalities cannot count on much surplus money from Queen's Park, especially as the economy weakens."

The Globe and Mail echoes the concerns voiced by the Star, saying that "municipalities across Ontario can count on a little extra money from the province to fix potholes, aging sewer pipes and other costly infrastructure, but only if the economy stays strong."

The government claims to have found evidence in the recent RBC report to defend the economic troubles that Ontario is facing. However, the report reads that Ontario will "teeter on the brink of recession through 2008, but it should pick up in 2009 to coincide with a recovering US economy." The very fact that RBC used the word "recession" signals that troubles are ahead. At the very least it means that the unanticipated surpluses upon which the payments referred to in Bill 35 are based could be significantly smaller than expected. I'm going to make a guess and say we won't be seeing any surpluses.

On December 9, 2003—this actually ties back to one of the pieces of legislation that Bill 35 is going to amend—the McGuinty government, through the Ministry of Finance, issued a press release concerning legislation that would "expand public sector accountability," again, a great name for a bill. To quote from the press release—you can say whatever you want in a press release: "In keeping with the McGuinty government's commitment to deliver positive change, Finance Minister Greg Sorbara today introduced amendments to the Audit Act to make the entire public sector more transparent and accountable to the people of Ontario."

It appears that the McGuinty government likes to talk about honesty and accountability. However, its own actions not even five years later through the Investing in Ontario Act tell a completely contradictory story. Bill 35, the Investing in Ontario Act, provides immense discretion to cabinet, to the point that it's hard to believe it was the same government that advocated accountability when it was first elected. For example, the act authorizes the Minister of Finance to make payments to eligible recipients, defined as any person or entity—no individual but a partnership of individuals—that does not carry on activities for gain or profit. No "municipal" word in there; no "infrastructure" word in there.

I'm not sure how authorizing one person to make payments to any person or entity without any specification about how the money should be spent or any stipulation about the basis on which payments will be calculated equates to the accountability they referenced in their 2003 bill. Rather, Bill 35 is an example of how suspect the current government's actions have become. While the McGuinty government trumpets the need for government to be accountable in one breath, it legitimizes unaccountable practices in another. It seems to be a classic case of "Do as I say and not as I do."

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As I said earlier in my two-minute hit, I have spoken to many municipal mayors and councillors since this infamous March 12 announcement was made by the Minister of Finance, and they understand that this is an announcement with very little depth behind it. When all economic forecasts are talking about an economy that is going south, as opposed to increasing, they know that the likelihood of actually receiving any kind of year-end surplus, and therefore of having the ability to plan for some infrastructure projects that are desperately needed in their municipalities, is basically non-existent.

As I said before and would like to reiterate in closing, this bill legalizes end-of-year spending condemned by your Auditor General. You got caught, and Bill 35 is your way out of it. The other reason we're talking about and debating Bill 35 tonight is that the Liberals want to remove a Progressive Conservative bill that mandated that all surpluses, regardless of size, must go to pay down the provincial debt, which, as we all know, is currently sitting at \$162 billion.

It's unfortunate that we have come to the point in this debate where the Liberals have chosen not to participate in a bill that so fundamentally changes how the government can distribute funds and hold this hammer over their funding partners, like municipalities, but not exclusively, and say, "Do as we say, and you may get the opportunity to get some surplus, if and when we get it in the future." I think it's a terrible precedent for the government to set, and for obvious reasons I laid out earlier, I will obviously not be supporting this bill.

The Acting Speaker (Ms. Andrea Horwath): Questions and comments?

Mr. Wayne Arthurs: I appreciate the comments by the member from Dufferin–Caledon. I wish her longevity in her seat in Dufferin–Caledon, much more so than her predecessor, who, if he had stayed there, might even have been in this place. But having said that, he's not, and that's a good thing. I just want to comment in respect to her comments on the bill.

The intent of Bill 35 is quite clear. The municipalities understand clearly what this government is about, and we've established a long history over the past four and a half years in supporting municipalities in a variety of ways, everything from the gas tax initiative to the up-loading of public health and land ambulance to working on ODSP and OW. There's a myriad of initiatives that the government and municipalities have engaged in over

the past four and a half years, and it's for those very reasons that the municipalities can feel extremely confident that, subject to the fiscal house of the province being in the position to share monies from a surplus with them, then monies will flow to them.

One only needs to look back just a very few short months ago, with the MIII program, to see where municipalities throughout the province are benefiting from the capacity of the province to support many of them in their infrastructure needs. The history over the past four and a half years is quite clear: This is a government that works closely with its municipal partners, that shares with those municipal partners, that uploads ongoing and regular costs—that stable funding that's necessary for particular programs—but also, when it has the opportunity, when the fiscal house allows for it, when there is a surplus situation, the municipalities should share in that opportunity and be able to continue to work on the rebuilding of the infrastructure of this province that is so desperately needed.

I look forward to the continuing debate on Bill 35 and, should the House see fit, its adoption and subsequent funding for municipalities.

Mr. Norman W. Sterling: Our new member, Ms. Jones, from Dufferin–Caledon, has caught on very, very quickly, not only to this Legislature but also to what a sham Bill 35 is.

I get a real charge out of members from the government backbench talking about the fact that they're distributing this surplus to the municipalities. They're not distributing any surplus at all; they're distributing borrowed money. They borrowed \$5.5 billion more this year than they borrowed the year before. That's the money that they're throwing out to the municipalities as some big surplus that they have. They don't have a surplus at all. It's only because of the accounting system that they're showing a positive budget. If the accounting system was like it was back when Mike Harris was in government, they would be operating with a \$5-billion deficit.

Mr. Michael A. Brown: What did he do?

Mr. Norman W. Sterling: No he didn't; we had a balanced budget. Bob Rae, your Liberal friend at the federal level, left us with—

Interjections.

The Acting Speaker (Ms. Andrea Horwath): Order. Can we please hear the member?

Mr. Michael A. Brown: Why?

Mr. Norman W. Sterling: I think Mr. Brown asked the real question, "Why?"

"Because we're not listening anyway. We don't listen to debate; we make up our minds before we get here." Don't listen to the real numbers in your budget, don't listen to rationale; let's just carry on this sham with regard to saddling our grandkids and our kids with a huge mortgage that has increased by \$5.5 billion this year.

Hon. Monique M. Smith: I'm pleased to be able to comment again on this legislation that we're debating this evening. I did want to respond to the member for Carleton–Mississippi Mills, who seems to have a very

short memory when it comes to budgets and his government's ability to manage the economy of the province, leaving us with \$5.6-billion deficit in their last year in office, leaving us with an incredible infrastructure deficit that all of my municipal leaders have been talking to me about since I was first elected.

Hon. Christopher Bentley: The streets are paved with gold.

Hon. Monique M. Smith: The streets are almost paved with gold. We are at least paving streets, which is more than we can say for the previous administration.

I'd like to quote, for the member from Simcoe North, from the North Bay Nugget of Friday, April 4, where our mayor, Mayor Vic Fedeli, who is not always a fan of this government, noted:

"The city is reaping the economic spinoffs of its hospital project with development in the area picking up as construction continues.

"We're going to be seeing a lot of construction," said Mayor Vic Fedeli, noting work is also expected to begin this spring on the One Kid's Place children's treatment centre.

"In addition, Fedeli said the city expects to award a contract later this month for the construction of a roundabout at the Gormanville Road and College Drive intersection."

That's just one of the many streets that are being looked after through the investments of our provincial government, through our most recent budget.

In Nipissing, we saw over \$8.5 million being invested through the municipal infrastructure investment initiative for projects in eight of my communities. I'm very proud to talk to you about the investment of \$2 million on Powassan Memorial Park Drive East. We'll be in Powassan in a couple of weeks for the maple syrup festival, and I know the people of Powassan are delighted to see that infrastructure investment being made.

We have Deerland Road in East Ferris, we have Memorial Drive in Chisolm, we have a new all-season sports facility in Callander, and we have the reconstruction of Oak Street in downtown North Bay being completed. These are just a few of our infrastructure investments that our municipalities are appreciating, and they're enjoying a much more beneficial relationship with the province of Ontario.

Mrs. Christine Elliott: I certainly agree with the comments that were made a little earlier by my colleague the member for Carleton–Mississippi Mills when he commented on the excellent work that's being done by our new member for Dufferin–Caledon. She's only been here in this place for a very short period of time, but she's already got the number of those members over there. She understands that with the McGuinty Liberals, what you see is rarely what you get. Because here we have a bill—and the honourable member from Dufferin–Caledon commented on this—that purports to give money to municipalities at the end of each fiscal year if there's a certain level of surplus, but again, it doesn't say

that in the legislation; there's just a hope that that's going to happen.

Ms. Lisa MacLeod: It's a hope and a dream.

Mrs. Christine Elliott: A hope and a dream, exactly.

As the member for Simcoe North commented on earlier, if this government is truly serious about wanting to grant extra money, surplus funds, to municipalities at the end of each fiscal year, why don't they accept an amendment that puts that in the legislation? Why not do that if you want to be open and transparent? But, then again, that's not the case. You don't want to do that, because you want to have the ability to move it around the way you want to do it at the end of each year, hold the carrot and the stick in front of the municipalities.

You're not treating them with respect, you're not treating them as true partners; you're treating them in a manner that's going to try and force them into your way of thinking or, if not, "You don't get the money at the end of the year." That's not the way to treat municipal partners. You can't deal with a partner in that kind of a power struggle.

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What you need to be doing is treating them with respect, giving them the level of secure, stable funding that they need from year to year so that they can plan. They can't plan in a vacuum. There are different projects that need to be done every year. You need to give them that level of funding, as the member for Dufferin-Caledon has quite rightly pointed out, in order to allow them to keep up the infrastructure that we need to be able to carry on business in the province of Ontario. But then again, that's another one of the issues that seem to be lost on this government.

The Acting Speaker (Ms. Andrea Horwath): The member for Dufferin-Caledon for a response.

Ms. Sylvia Jones: I would like to acknowledge the responses from Pickering-Scarborough East, Carleton-Mississippi Mills, the Minister of Revenue and the member for Whitby-Oshawa.

I'd like to wrap up my comments this evening specifically on Bill 35, to talk a little about what we should be doing for our municipal partners, because I think the press releases and the conferences say one thing and the bill says another.

The first thing that this government should do is stop pre-empting the municipal fiscal service review being done at AMO. You've brought forward the experts, and yet the Liberals are announcing Bill 35 to try and buy off the municipalities. The problem is, the municipalities are on to you. They've figured out that it is another one of your empty promises because the only way the 462 municipalities across Ontario are going to see a dime is if there is a surplus. Then and only then can you even hope to get some municipal infrastructure money for the deficit that every municipality across Ontario is dealing with.

As I've pointed out earlier in my speech, the words "municipality" and "infrastructure" are nowhere to be found in this act. It is strictly up to the discretion of cabinet. If the Liberals would like to actually bring for-

ward some positive amendments that would encourage the opposition to consider this bill, I would strongly urge you to add the words "municipal" and "infrastructure" in who is actually eligible for the surplus money. And then we can have a substantive debate about what's in the bill.

The Acting Speaker (Ms. Andrea Horwath): Further debate?

Mr. Bill Murdoch: To finish the debate off tonight, we've got to get some things straight. The member from Brampton mentioned that they got no money when the Conservatives were in government. I don't know what happened to Brampton and why they didn't get any, but she said that right in this House. I would like her to come back and prove that they got no money for those eight years. I don't think she can prove that. I was here. Governments got money; there was no doubt. Maybe not exactly what they wanted, maybe not as much as the slush fund gives now, but there was money going to municipalities.

I would hope that the member from Brampton may even want to correct her statement in this House, because she said they got no money. She was in charge of the money in her town, so maybe there was something there; I don't know. Maybe she couldn't figure out how to get money from the province. Who knows? But I'll leave it up to her if she'd like to figure that out.

Another thing we have to get straightened out in this House—the Liberals can't seem to figure it out—is that when the Conservatives took over after the NDP were here, there was about a \$10-billion deficit. I'm not sure what it was. The promise then was to balance our budget within four years. Back in those days, promises used to be kept in the House. It's a little different nowadays, but back in those days, promises were kept in this House. The promise was that we would balance it in four years, which was done in four years, and then we had four years of balanced budgets. We had a little bit of trouble in that fifth year, as you would point out, but we have to look at that fifth year. In that fifth year, there was an election halfway through the year. And definitely, yes, there was a \$5-billion-or-whatever deficit in that budget. But we didn't get a chance to finish out that year. You won. Then you expanded on that, and never tried to balance it.

So if you really want to say whose fault that was—you guys wanted it. You got in with all kinds of promises, tons of promises that you were going to do, and didn't live up to all of those promises. Mind you, you got accepted in the next one, so that's fine. People like to try to believe you, especially when you're dumping out all this money in this slush fund.

You're going to legalize this by passing this bill, but all the money that you gave out at the end of this year—are you saying that wasn't legal? You're trying to make it legal now to do that, but I know that a lot of municipalities got a lot of money at the end of this year, which was fine; we're not complaining, except for the way you did it. Again, the Liberal philosophy: Screw it up if you can. If it's a good deal, screw it up, because we wouldn't want anybody else to have a good story.

In my riding, we were happy to get some money, but it took us six days; the ridings that had Liberal members knew six days before the ridings that had Conservative and NDP members. That's the way you guys did that. That's exactly the way you did it. So how do you expect us to trust you on a bill like this, where it's going to allow you to give out money any way you want?

Interjection.

Mr. Bill Murdoch: You have nothing in this bill—I would think, Madam Speaker, that the minister from London would maybe want to sit in his own seat, at least, to heckle. He thinks he's some new-found member here that he can get up and point his skinny little finger at us any day he wants to, yet he sits in somebody else's seat to heckle. Maybe he would like to sit in his seat to heckle, because I would like to have him sitting in his own seat.

We won't say what minister it is. All we know is that he's out of London, which is receiving all of Toronto's garbage, and they don't want the trucks to go too fast. They're going to put regulators on them so they can't get that garbage from Toronto to London too fast. But those four members from London—not one of them stood up for London. They just said, "Toronto, bring your garbage down to us." And then they stand up here say that they got all these jobs out of it. One of the members from London was bragging the other day about all the jobs they've got in London. I guess it's working at the new dump they've got in London. I know Toronto just loves you for that.

Anyway, he's stopped heckling now, so I guess we'll have to get back on to Bill 35.

This is a bill that will allow the Liberals to legally give money to their friends. That's what the bill should be called, because it doesn't say anything about municipalities. It doesn't say that's where it's going to go. I'm sure that member from Brampton, three years from now, will be saying, "We didn't get any money. What happened? I didn't have a rowing club or a cricket club in my riding; I guess I didn't get the money." But there's nothing in this bill. You should be demanding that that be in the bill if that's what you want to say, if it's going to municipalities. You people should be demanding that: "No, we'll just let it go because we have to sit here and do what we're told." Clap like seals and do what you're told—we've heard that before. But anyway, that's what's happening here.

Mrs. Linda Jeffrey: It's what they used to try to get you to do, Bill.

Mr. Bill Murdoch: It's nice to hear that the member's in her seat at least, so we'll let her heckle from her seat. At least she's sitting in her seat, so that's fine. I don't mind a little heckling because it gets the night over, Madam Speaker, and as you know, it's getting close here. We have a couple more minutes to go on this and talk about the slush bill—the bill that has no credibility to it.

We have a debt. And what was it? It was about \$40 billion when they took over and now it's \$90 billion. Is that right? It couldn't be \$50 billion that they blew in

four years; it must be a little less than that. How much is it, Garfield? You can tell me. You had the figure there.

Mr. Garfield Dunlop: It's okay—

Mr. Bill Murdoch: It's okay? Fifty billion will do?

Mr. Garfield Dunlop: Say whatever you want to, Bill.

Mr. Bill Murdoch: Yes, you can say whatever you want to at this point. I'm sure they say whatever they want over there: "We didn't get any money." But you've raised it so high that \$600 million is not even going to go far toward paying it off, but at least you're going to put that much towards it if you have a surplus. We don't even know what kind of surplus you're expecting to have, and then if there's any left over, "Legally now, we can go out and give it to whoever we want. It doesn't matter who you are, just make sure you vote for us and you'll get the money. Just sign on the dotted line here." This Liberal government is going to send it out, and they'll be able to say, "It's all legal. You guys can't complain about us having a slush fund anymore because we're making it legal and we can give it to whoever we want to give it to."

This is the problem with this bill. You keep bragging about how you're going to give it to municipalities, but it doesn't say that. If you'd put that in there as an amendment, then over here we may even like it a little better. But you won't even do that as an amendment, because they won't let you think for yourselves. You're here, you do what you're told, you sit in here tonight until 9:30. Then, tomorrow, the same old thing: "Do what you're told, don't vote against our government"—the rules come down from the Premier's office.

This was a government that was going to be different. We were going to have different rules, and they were going to listen to everybody. But unfortunately, it didn't happen, and you can easily see that from this bill, because only the mandarins up in the Premier's office would come up with something like this. Who else would come up with a bill to legalize a slush fund? The Liberals in Ottawa weren't even that corrupt. They did it behind the scenes up there.

Interjection.

Mr. Bill Murdoch: The Liberals in Ottawa were corrupt. Look what they did.

Mrs. Linda Jeffrey: No.

Mr. Bill Murdoch: They were, I'm sorry. This bill is going to legalize it. It's going to be legal to do it. You're going to be able to hand it out to all of your buddies. That's what this bill is going to do. You can tell me it's different, but I can't see where it says in the bill that it's different. That's the problem: You didn't put that into the bill to allow us to do that. If you had done that, as I said, maybe over here we might have liked it.

There's no guarantee the north is going to get anything. I know the minister of the north is here. He's probably thinking, "Boy, is any of this money going to come up north?" I know that some of that slush fund did at the end, but you've got no guarantee that next time you'll get a cent of it. You'd better look for some clubs up there,

some good cricket clubs that'll get some money for you so you can get some money to help the roads up there, because you know you need it. Unfortunately, this bill guarantees no one anything.

I believe, Madam Speaker, it's 9:30 of the clock. You may want to adjourn, or we can go on. It's at your peril.

Second reading debate deemed adjourned.

The Acting Speaker (Ms. Andrea Horwath): Assuming that the member has completed his remarks, it is certainly 9:30 of the clock. This House will stand adjourned until tomorrow at 1:30 p.m.

The House adjourned at 2131.

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