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**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Tuesday 6 November 2001

Mardi 6 novembre 2001

Speaker
Honourable Gary Carr

Président
L'honorable Gary Carr

Clerk
Claude L. DesRosiers

Greffier
Claude L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday 6 November 2001

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

Mardi 6 novembre 2001

*The House met at 1330.
Prayers.*

MEMBERS' STATEMENTS

HEALTH CARE FUNDING

Mr Pat Hoy (Chatham-Kent Essex): Citizens of southwest Ontario are experiencing a crisis in health care. I have urged many Ministers of Health and the Premier to reconsider their disastrous policies. You have cut funding for hospitals, which resulted in bed closures, overcrowded emergency rooms unable to take patients, and diminished services across the board.

Since this government took office, the crisis has steadily worsened. In Chatham-Kent, surgeries have been cancelled, emergency wards have been closed, and now there will be no obstetrical coverage at the Chatham-Kent Health Alliance on November 9, 10 and 11.

Our doctor shortage is critical. I have begged this government for measures to attract physicians to the southwest. Again, I'm urging the health minister to lift the freeze on funding for community health centres to help areas like Tilbury, waiting since 1995 for CHC funding to attract doctors. I am urging him to provide an envelope of funding for nurse practitioners' salaries. Today, on behalf of the family of Mike Wells in Chatham and many other families, I beg the minister to maintain and protect the specialized paediatric and other services at the London Health Sciences Centre, at risk because of government cuts. This centre of excellence helps to attract and keep doctors in southwest Ontario.

I urge you to keep your promise. These programs gave the Wells family hope and the chance for survival. As a member of the Southwestern Ontario Paediatric Parents Organization, Mike is fighting to save these programs in memory of his son. No more cuts to health care. Restore these programs immediately.

CANADIAN FORCES

Mr Raminder Gill (Bramalea-Gore-Malton-Springdale): I stand to honour all Canadian Forces, past and present, as we prepare to mark Remembrance Day. Remembrance Day takes on a special significance this year. With Canada's navy joining the counterattack on terrorism, it has become commonplace to wish them a safe return. I'm going to be less politically correct. I wish

our sailors victory and then a safe return. May God watch over them.

There are more than 116,000 Canadians buried overseas. They are the dead of the South African war, the First and Second World Wars, Korea and a number of smaller conflicts and peacekeeping operations. Our dead never got a share in the freedom they preserved. Because of their epic victories, this House can exist. We must never forget that there are people all over the world who would like to get rid of this House and all of our liberties and freedoms. We must never forget those who died to keep us safe and free.

It fills me with pride that people continue to wear the poppy. I urge all my constituents to join me at Brampton city hall next Sunday at 11 o'clock as we honour war veterans and the glorious dead. I'm asking them to bring their children and grandchildren and that they all wear their poppies.

CONSERVATIVE ECONOMIC POLICIES

Mr Gregory S. Sorbara (Vaughan-King-Aurora): In a few minutes the Minister of Finance is going to present this House with an economic statement, and I just want to point out here the extent to which this statement will misrepresent the finances of this province.

I expect the Minister of Finance to say that the province will continue not to run a deficit here. I want to tell the people of Ontario that this province, after six years of Conservative policy and Conservative financing, has a terrible structural deficit and it affects every aspect of public policy.

I want to talk about the deficit in our school systems, not only the cutbacks that have demoralized our teachers, but the lack of construction and repair of our schools is a shame. I want to talk about the deficit in our hospital system, the lack of beds. Hospital associations have been here today telling us that very thing.

I want to talk about the deficits that are now confronting every city and town in this province. The deficit of the city of Toronto has never been so large, and it's exactly as a result of Conservative economic policies.

This government has debased the tax system in this province. And today we will hear that we no longer have the money to afford the kinds of programs that Ontarians deserve. This is a disgrace, and the people of Ontario ought to know about it.

HAROLD GRAHAM

Mr Steve Gilchrist (Scarborough East): I rise in the House today to pay tribute to former Ontario Provincial Police Commissioner Harold Graham. Commissioner Graham passed away Saturday in Toronto at the age of 84.

A long-time resident of Scarborough East, Commissioner Graham had a long and very distinguished career in policing in the province. During his time as commissioner, he helped modernize the OPP. He served for one year in the OPP's London detachment and moved on to the Sarnia department, where he worked for seven years. After that, he was promoted to inspector and transferred to the general headquarters in Toronto. At the time, Mr Graham had the distinction of becoming the youngest inspector in the criminal investigation branch. He was only 33 years old.

During the course of his career, he dealt with more than 100 murders, many of those cases being very high-profile.

Although he wasn't a flamboyant officer, he had the reputation for being extremely methodical. He was diligent and would dig deep for clues.

Mr Graham held the ranks of chief inspector, assistant commissioner and deputy commissioner before becoming commissioner in 1973.

Under his leadership, the OPP underwent tremendous change. Those changes included employing female officers, forming a special branch of First Nations constables, setting up the OPP's news and community services bureau and launching the new communications system.

Harold Graham also earned an impressive list of police and civilian credentials to back up his record. He was a member of the International Association of Chiefs of Police, the Canadian Association of Chiefs of Police and the Ontario Association of Chiefs of Police, president of the Ontario Public Service Quarter Century Club and a recipient of the Canadian Centennial Medal, and in all respects was a dignified and very capable leader of one of the best police forces in all of North America.

HOSPITAL SERVICES

Mr Jean-Marc Lalonde (Glengarry-Prescott-Russell): Today I would like to bring to your attention the effects of this government's user fee policies, especially as it relates to hospitals.

I wonder how many members of this House are aware of this policy. For example, a person who requires an operation for a broken hip, according to this government, is allowed an average stay in the hospital of eight days.

Mr Lloyd MacDonald, who broke his hip on March 29, had to be hospitalized for an operation. Since his stay was more than the eight days, which under this government's rules is the average time allowed for this operation, the community hospital followed government rules and charged Mr MacDonald \$43.03 a day for 21

days. Mr MacDonald, this frail 81-year-old man, was served court documents in the amount of \$903.63 for his chronic care co-payment.

Also, this week the Queensway Carleton Hospital in Ottawa announced the reduction of 600 deliveries, or 23% of their maternity beds, due to a \$1.8-million deficit. Do community hospitals have to apply user fees in order to balance their budgets and survive, or will they have to cut beds and services?

My leader, Dalton McGuinty, Lyn McLeod and I, as well as the Liberal caucus, insist that this government give Ontarians the services they require and stop charging user fees and closing beds.

1340

FRANCHISE BUSINESSES

Mr Tony Martin (Sault Ste Marie): It's been interesting in this place over the last couple of weeks to sit and watch the back and forth between the member for Hamilton Mountain, Mrs Bountrogianni, the Minister of Consumer and Business Services and the member for Kitchener-Waterloo, Mr Wettlaufer, regarding the issue of franchising.

I hate to be the one standing here saying, "I told you so," but you will all remember that it wasn't that long ago that we did a significant amount of work to regulate franchising in this province, and the government chose at that time the narrowest of approaches. We predicted then that what is actually happening now with Grand and Toy would in fact happen, that if you weren't willing to regulate the relationship, we would continue to have trouble, because no matter what you say, what's there now does not, where the relationship is concerned, level the playing field between the giant who is the franchisor and those small individual entrepreneurs and small business people across this province who are franchisees. So now you have Grand and Toy in mortal combat with their corporate owners.

You as a government have a responsibility. You dropped the ball when we were passing the regulation. You wouldn't move to regulating the relationship. So now I feel you have a responsibility to step forward and do the mediation that you refused to put in this act, to bring the partners together and to see that small business people and entrepreneurs in this province are duly protected.

TAKE OUR KIDS TO WORK DAY

Mr Bart Maves (Niagara Falls): This week, students from my riding and across the province will be taking part in the Learning Partnership's Take Our Kids to Work job-shadowing experience.

Today I have my eldest nephew, Matthew Maves, visiting from Ridgeway-Crystal Beach High School. Matt's whole grade 9 classroom will be participating in the program tomorrow. Although computers are Matthew's current passion, you never know after today's

experience. He could become interested in politics, although the opposite may in fact end up being the case.

However, when these students do go back to their classrooms and discuss their individual experiences, this may pique the interest of many kids in the class in a variety of different careers.

Take Our Kids to Work Day is organized by the Learning Partnership, a non-profit organization that fosters collaboration among its members, who represent school boards, government, teachers and community groups, large corporations and employers. The first Take Our Kids to Work Day was organized in 1994. I encourage all parents to get involved in this program. It's a great learning experience for our children. I look forward to when my own kids are a little older and able to participate.

Matthew is not required to write a paper on today's events by his school, so I'm requiring him to write one, and Mrs Munro will be the one who will mark it.

REMEMBRANCE DAY

Mr Mario Sergio (York West): This coming Sunday is Remembrance Day, a day devoted to paying tribute to the memory of the brave Canadians who served and died in battle.

As we have just barely ended a century in which two world wars were fought, it is fitting that we take time to remember the more than 1.4 million Canadians who proudly gave so much to defend our freedom. In their honour, we think of the many men and women who courageously answered the call and made the supreme sacrifice. The contribution they made so that we might live in peace can never be measured or forgotten.

It is indeed tragic that this year has brought a further 11th day to remember. In the destruction and terror of September 11, some 24 Canadians lost their lives. We remember and mourn with their families.

On November 11, the 11th hour of the 11th day of the 11th month, let us celebrate past victories, mourn lives lost, and pledge to take time to remember the ultimate sacrifice of those defending Canadian freedom and security today. On behalf of all the members of the Legislature, we extend our sincere condolences to the families of these innocent victims. We will never hear from them again. They will never be forgotten. They will always be remembered.

DISCOVERY CENTRE AT THE NORMAL SCHOOL

Mr Bert Johnson (Perth-Middlesex): I rise to recognize the campaign underway in my riding to transform the Stratford Normal School building into the Discovery Centre. The normal school was built in 1908 to establish a set of norms for teaching in Ontario. The building itself is a great example of Italian Renaissance architecture. Last Thursday, the Renaissance Campaign was officially launched to raise money to preserve and

renovate this historic landmark that had fallen into disrepair after many years of neglect. So far, \$1 million in gifts and pledges has been raised to support the \$2.5-million transformation project. When the restorations are completed next spring, the Discovery Centre will become the permanent home for the Stratford-Perth Museum. The centre will also have rooms for art exhibits, educational workshops, as well as a theatre centre affiliated with the Stratford Festival and a tea room.

I want to commend the many volunteer members of the campaign committee for their hard work and dedication to this project over the past several years. I also want to recognize and thank the many project partners, including the Stratford-Perth Museum, the Kiwanis Club of Stratford, the Stratford Festival, the city of Stratford and the Friends of Normal School Heritage. Please join me in wishing the committee every success with the Renaissance Campaign.

VISITORS

Mrs Marie Bountrogianni (Hamilton Mountain): On a point of order, Mr Speaker: I'd like to welcome the Ontario Undergraduate Student Alliance here today, fighting for the rights of students across this province. Welcome.

Ms Caroline Di Cocco (Sarnia-Lambton): On a point of order, Mr Speaker: I'd like the House to welcome Mark Baseggio, Garret Rocca and Emma Jackson from the Ontario Undergraduate Student Alliance.

REPORTS BY COMMITTEES

STANDING COMMITTEE ON JUSTICE AND SOCIAL POLICY

Mr Toby Barrett (Haldimand-Norfolk-Brant): I beg leave to present a report from the standing committee on justice and social policy and move its adoption.

Clerk at the Table (Mr Todd Decker): Your committee begs to report the following bill as amended:

Bill 101, An Act to protect students from sexual abuse and to otherwise provide for the protection of students /
Projet de loi 101, Loi visant à protéger les élèves contre les mauvais traitements d'ordre sexuel et à prévoir autrement leur protection.

The Speaker (Hon Gary Carr): Shall the report be received and adopted? Agreed. The bill is therefore ordered for third reading.

INTRODUCTION OF BILLS

1268519 ONTARIO INC. ACT, 2001

Mr Gill moved first reading of the following bill:
Bill Pr3, An Act to revive 1268519 Ontario Inc.

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

Pursuant to standing order 84, the bill is referred to the standing committee on regulations and private bills.

HIGHWAY TRAFFIC AMENDMENT ACT
(PHOTO-RADAR), 2001

LOI DE 2001 MODIFIANT LE CODE DE LA
ROUTE (RADAR PHOTOGRAPHIQUE)

Mr Hoy moved first reading of the following bill:

Bill 126, An Act to amend the Highway Traffic Act with respect to photo-radar / Projet de loi 126, Loi modifiant le Code de la route à l'égard du radar photographique.

The Speaker (Hon Gary Carr): Is it the pleasure of the House that the motion carry?

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

All those opposed will please say "nay."

In my opinion, the ayes have it.

The member for a short statement.

Mr Pat Hoy (Chatham-Kent Essex): This bill will provide protection for motorists who must drive the notorious stretch of Highway 401 between London and Windsor that has become known as Carnage Alley. This bill will follow the safety recommendations of two recent coroners' juries and implement photo radar on this dangerous highway.

1350

RESPONSIBLE CHOICES FOR GROWTH
AND FISCAL RESPONSIBILITY ACT
(BUDGET MEASURES), 2001

LOI DE 2001 SUR DES CHOIX RÉFLÉCHIS
FAVORISANT LA CROISSANCE
ET LA RESPONSABILITÉ FINANCIÈRE
(MESURES BUDGÉTAIRES)

Mr Flaherty moved first reading of the following bill:

Bill 127, An Act to implement measures contained in the Budget and to implement other initiatives of the Government / Projet de loi 127, Loi mettant en oeuvre certaines mesures énoncées dans le budget de 2001 ainsi que d'autres initiatives du gouvernement.

Mr Dwight Duncan (Windsor-St Clair): On a point of order, Mr Speaker: I rise pursuant to standing orders 57(a) and (b), standing order 2, standing order 25(d), standing order 50, standing order 57, and standing order 58.

The purpose of an economic statement or update is to update, normally and historically. It is the view of the official opposition that what we see happening today is in fact the introduction—

Mr Steve Gilchrist (Scarborough East): You haven't heard it yet.

The Speaker (Hon Gary Carr): Order. I need to hear it. It is very serious. He may have a legitimate point of order. I need to hear it, please, member for Scarborough East.

Sorry, member for Windsor-St Clair.

Mr Duncan: What we see today, Mr Speaker, is in fact the introduction of a new budget. We are now tabling what we refer to in our standing orders as budget papers. The standing orders, Mr Speaker, call for certain procedures to be followed with respect, first, to the tabling of a motion; second, to the nature of the debate and how the debate is conducted; finally, to how votes are conducted.

In addition, it has been the tradition of this House that the government provides both the media and the opposition an opportunity to have a lock-up associated with any budget in that they can be briefed prior to the reading of the budget speech itself and, second, the tabling of budget bills relating to the budget motion.

In the view of the official opposition, this represents an unquestioned attempt on the part of the government to stifle our ability to respond to what is essentially a budget. We understand why they may wish to do that, sir. This is a new budget for the province, for all intents and purposes. We could not find a precedent that suggested there be budget bills associated with what is essentially supposed to be an update that goes over 20 minutes.

Further, the standing orders call for at least an hour of opportunity for the leader of the official opposition and the leader of the third party to respond to a budget.

Fourth, the standing orders call for at least one amendment and one amendment to the amendment to deal with a budget motion. We have no budget motion.

This represents an unprecedented abuse, in our view, of the system that has evolved over centuries in the British parliamentary tradition whereby governments can be properly held to account for their financial policies.

We ask you, Mr Speaker, first, to rule on whether or not this is in fact a budget bill, whether or not it is a budget paper, to use the language found in the standing orders.

Second, we call upon you to rule whether or not the opposition should have an opportunity to respond per the standing orders, and how the debate on a budget motion and budget papers is considered as distinct from a regular bill.

Third, we ask you to rule on whether or not time allocation could appropriately be used on what is essentially a budget paper. The word "budget," as I recall—and we've just now received the documents and the speech at approximately 1:45 in the afternoon on what is essentially a budget. We ask you, sir, for the reasons I've outlined and on those issues and other issues you may consider relevant to your decision, to find that in fact what we have presented today is a budget.

A final point, Mr Speaker: if in fact you find that and rule in that, there is a requirement under the standing orders for the government to produce new estimates within 12 days of the tabling of a budget document.

Clearly, if the government is changing its budget plan and providing all of the documents, then clearly the estimates now before the House and before committee must be considered in their entirety and from the perspective of the changes that obviously will attend these budget changes.

This question in our view is absolutely fundamental to the proper functioning of a democratically elected Legislature. No government should be able to usurp the rules that have developed through the traditions of this House, through our standing orders and through acts of the Legislature Assembly, the Parliament of Canada and Westminster.

Mr Speaker, I ask you to consider the interests of the population, to consider the interests of this House and to determine that what we have today is not an economic statement, but is in fact a new budget for the province of Ontario starting today.

The Speaker: I have received some information I didn't receive before. In the meantime, I'll try and look through some of the information that's come to the table to help. The member for Niagara Centre on the same point of order.

Mr Peter Kormos (Niagara Centre): That's part of the problem, Speaker, and you're obviously aware of it by virtue of the need for an opportunity to examine, among other things, the content. But at the end of the day, it's as simple as this: I put to you that it's not a complex thing at all, that if it looks like a duck, if it walks like a duck, if it quacks like a duck, it's a duck.

We were promised one thing and were delivered something entirely different, along with a massive number of pages of legislative endeavour that this government is imposing on us today in an effort to circumvent the requirements of standing orders 56 and 57.

One can suspect the government has a strong interest about wanting to endure the compulsory days of debate that follow a budget presentation. One understands that, but at the same time it doesn't make it right. I think the Speaker has to be very careful, with all due respect, not to let the government set the agenda in terms of its circumvention of the rules merely by imposing a new label on what is in every other respect a budget as contemplated by standing order 56, requiring of course, as it indicates, "unless recommended by a message from the Lieutenant Governor," and then of course in 57(b) in particular, the statutory requirement that there be a minimum number of days of debate around that action specifically.

If this were truly merely a reflection of an existing budget, then I put to you that the legislation tabled for first reading today should not have accompanied, as it did, the purported Ontario Economic Outlook and Fiscal Review. The risk, Speaker, in permitting this to proceed without at least some intermediary contemplation by you, and quite frankly by members of the two opposition parties, is that 56, once again, refers to, "Any bill"—we have a number of them, it appears, before us, at least one covering a number of statutes—"resolution, motion or

address,"—we're told we're going to be listening to an address—"the passage of which would impose a tax or specifically direct the allocation of public funds, shall not be passed by the House unless recommended by a message from the Lieutenant Governor."

If the Speaker permits this to proceed now without there being an opportunity to examine the material before us to ensure it doesn't violate that requirement, to ensure that it truly is, in terms of the legislation, a reflection of the already existing budget, that would then make the whole exercise academic and moot. We at least need an interim period of time for us to examine this material to see whether it stands the test of 56 and for you to do the same. Having said that, even if it does clear standing order 56, we still have what I put to you is a pretty transparent effort on the part of the government to avoid the statutory right of the opposition caucuses to engage in a minimum period of debate around a budget presentation.

1400

Mrs Lyn McLeod (Thunder Bay-Atikokan): Further to the same point of order, Mr Speaker: there are only two additional pieces of information I would like to provide for your consideration. One is that the document that has just recently been tabled is very clearly in print called "budget papers," and therefore I would submit to you that it does constitute a significant fiscal initiative on the part of this government and that it should have deserved the full consideration any normal budget would have received.

Second, by whatever name the government chooses to give this, there is precedent that has been set by this government. It was the minister's predecessor, Mr Eves, as finance minister, who did what I believe was termed an economic statement. I believe, if I recall correctly, that the date would have been November 1995. It was shortly after the government was elected. It was in lieu of a formal budget presentation, so I believe that's why it was called an economic statement.

On that occasion, the finance minister did have, as was appropriate, a full budget lock-up for members of the opposition, for the media and for relevant groups. I would submit to you, Mr Speaker, that this is no less a budget document than that economic statement that was made by Mr Eves, and that the precedent for this House has been well established.

Mr Duncan: On a point of order, Mr Speaker: We believe that before we can even introduce a bill, you need to rule on whether or not this bill is in order. We will clearly vote against it, but right now the very first of a number of considerations is whether or not this bill is in order, given that there was no notice of budget or budget motion brought first.

The Speaker: The government House leader.

Hon Janet Ecker (Minister of Education, Government House Leader): Mr Speaker, thank you very much for your consideration.

First of all, I think we need to be very clear with the members of this House that this is not a budget. The budget was brought—

Interjections.

Hon Mrs Ecker: If the opposition would let me—

The Speaker: Order. I was fair to the other side. I didn't allow them to heckle. I need to hear. I cannot have people yelling and screaming during points of order, if I could, please.

Sorry, government House leader.

Hon Mrs Ecker: It is my understanding that those papers that have been tabled here in this House, appropriately, are updates of what the spring budget was forecasting. So they are simply numbers which are updating the financial situation, as the Minister of Finance promised to do. He promised there would be an economic statement this fall to update us all on where we are with Ontario's finances, in an attempt to be very clear, in an attempt to be very open and in an attempt to share information not only with members of this House but with the public as well. They are papers in detail that update numbers. It is not a new budget. I think that is very important to stress.

Second, the finance minister is making an economic statement. Again, it is his right as a minister to bring that forward. The appropriate information for the opposition, compendiums, has been tabled both with the statement and proposed legislation.

The other thing is that the finance minister is certainly entitled to bring forward legislation to introduce in this House that may well have policy changes on the finances of the government, but it is not a budget. These are simply some statements, some announcements that he is bringing forward. Many of them have been previously announced by this government. He is within his rights, I would submit, to bring this forward, to table legislation, to table a statement in this fashion, with the appropriate papers.

Mr Duncan: Mr Speaker, we have already found in our brief review a number of substantive changes in the numbers that the government presented in the spring. The government itself called its bill a budget bill. Again, had the government taken the opportunity to provide members of this House with a lock-up to see this stuff before 15 minutes ago, perhaps we might feel compelled to say, "All right, that's the case."

I can tell you that in our very brief review, we found substantial changes. We have a government that's calling it a budget bill. We can't find a precedent where there was a bill related to an economic statement introduced in this House at the same time. The government, in our opinion, is simply trying to circumvent the proper democratic consideration of a budget bill, and that is fundamental to the functioning of this Legislature. Had the government House leader been serious about this, they would have provided a lock-up, as did the minister's predecessor, Mr Eves, in 1995.

We are left with only one conclusion. Based on the title of the bill, based on our quick review of what we've

been able to look at, this is in fact a budget. This is a budget that acknowledges they got it all wrong in the spring. This is a budget that is changing the financial policy of this government, and consequently the estimates of the government. In fact, sir, this bill is out of order and we ought to be treating it as a full budget.

Hon Mrs Ecker: With all due respect, Mr Speaker, I would certainly expect that the members would want a Minister of Finance to report to this House on a regular basis on the status of Ontario's finances, and that is simply what this minister is doing. He is fully within his rights to make a statement about the updating on the finances. That's what this is all about. He is fully within his rights to introduce legislation that impacts and changes certain policies of this government. As a minister of the crown he is certainly allowed to do that.

I would respectfully submit that if the opposition would listen to the statement, they would certainly hear what this is all about, instead of being so concerned that somehow or other this is a dramatic new change. It is simply a financial update. I think the Minister of Finance is trying very hard to be open with the people of Ontario in terms of putting this forward.

Hon Chris Stockwell (Minister of Labour): If we are going to examine—

Interjections.

The Speaker: Order. Not again. I don't need to remind you. The next time I do it, nobody is going to be here for the statement because I'm going to throw you out. I have asked at other occasions—when we are having debate in the House it's fine to heckle. Points of order, I cannot hear. You cannot yell during points of order when the Speaker is trying to make a very important ruling. This is a very serious matter before me. I will be looking at the documents, but it's a very serious matter with potential consequences and I need to hear it and rule very carefully. I would appreciate all members' support in allowing me to do that and not heckle people when they are doing the points of order, please.

Sorry, Minister of Labour.

Hon Mr Stockwell: Thank you, Mr Speaker. Just to clarify a few points of view from the other side's recommendation to you as Speaker, let me just say I don't think I've seen in this place—and you would be best to check history and check the budgets—where any budget was introduced in this House where technical amendments to budget income tax acts were not spoken to—in any budget. They are always spoken to in a budget, because during the year you need to make technical amendments that provide you with flexibility to make changes in-year without having to go through this exact process. All governments in the past have done it, as well as this government.

If you were not allowed to make those kinds of technical amendments in-year, the NDP wouldn't have been allowed to introduce their social contract. They wouldn't have been allowed to introduce their social contract because they were making major amendments to revenue expenditures, transfer payments etc during that process.

But because you're allowed to make technical changes in-year in your budget, that allows you the provision to react to certain economic realities of year over year. That has been an accepted fact for many budgets over many years, exercised by every party in this House.

Further, if the suggestion of the opposition benches is that every time a Minister of Finance wants to come forward to make an economic statement, to give you an economic outlook, thereby also suggesting he needs to make technical amendments, then for every economic outlook, in some cases under Mr Nixon and Mr Laughren that happened four, five and six times a year, they would then have to go through the whole process of lock-ups, budget papers, full discussion and full debate. It's frankly impossible to do. That's why the budget is placed before this Legislature, debated and passed, and the provision provided in the Liberal budget, the NDP budget and the Conservative budget is with: "Technical amendments to the tax policies will come forward at a later date."

Mr Speaker, there's nothing out of order here. It's a standard process, a standard practice used by those across the floor and this government. I would implore you to review those previous budgets, review the technical amendments spoken to in the original budget tabled by Mr Flaherty, and I think you will see there is no out-of-order business here. It's standard practice by every government used as long as I've been in this place and certainly before that.

The Speaker: I thank the member. With another point, the member for Niagara Centre.

Mr Kormos: On a point of order, Mr Speaker: I appreciate that my comments may be moot, seeing as how you've heard from the final authority. But, Mr Speaker, I would ask you to consider as well that in the normal course of introduction of bills, the government House leader's office advises opposition caucuses when there are going to be government bills put forward. To the best of my knowledge, that information was not forthcoming from the government to certainly this caucus's House leader's office today. Two, when the government makes a ministerial statement, those ministerial statements are distributed early after the House commences at 1:30 in the afternoon, clearly to give opposition critics and leaders, among others, an opportunity to read and anticipate at least in some respect what's going to be addressed.

This incident today is neither one nor the other. It was treated, quite frankly, with very much the same level of secrecy as would a budget. Indeed, we were advised that we wouldn't have access to the material that was going to be referred to until the moment the Minister of Finance stood up and not a second sooner. Therefore, it seems to take it well out of the realm of a mere ministerial statement.

The lack of information, the lack of advice to opposition caucuses that there was going to be a bill, or bills, presented this afternoon also creates more of a suggestion of this being a budget matter and indeed is sufficiently out of sync with what historically has been done here that it certainly calls out for your inquiry and attention.

The Speaker: I thank all the members for their input. Not having had a chance to review the documents, I will have a recess for 15 minutes while I have a look at the information that has been provided.

The House recessed from 1411 to 1445.

The Speaker: I have had an opportunity to review the documents presented. Let me quickly review what precedents are in order.

The first question to be decided is the orderliness of the bill introduced by the Minister of Finance. The bill is in its proper form. It is accompanied by the required compendium and a consolidation of the acts. Whether or not it contains measures as provided in the budget as presented in May has no bearing on the orderliness of the bill, and this is substantiated by precedent.

For example, in November 1990, the Retail Sales Tax Amendment Act was introduced in the House. In December, a bill similar to this one, An Act to implement the 2000 budget to establish a made-in-Ontario tax system and to amend various Acts, was also introduced. The point is that these bills were subject to all of the rules that any other bills are subject to. There is an opportunity to debate at second and third reading and, if the House chooses, it may send it to committee for hearings and debate.

As to the substantial issue of the statement we are expecting today—is it really a budget and therefore requires a budget lock-up and extended debate?—I can only say that a budget lock-up is an external apparatus which precedes what occurs in this House. There is no procedural requirement for it. That is not controlled by the Speaker. However, let me say very clearly that it is a strongly held custom that is deeply seated in our traditions, and hopefully that will continue.

As for compelling an extended debate, let me say this: a budget debate is preceded by a budget motion. It is the question in that budget motion which is subject to debate. We have no such question before us here today. What we do have before us today is a ministerial statement restricted to 20 minutes, followed by five-minute responses from the opposition. I can find nothing out of order.

However, let me say this: what has happened is that the trappings and proceedings have been escalated to make it appear in some circumstances, to some people, that this would be a budget, and when you put on a show like that, it is very easy for people to assume that it is a budget. In the future, hopefully the Minister of Finance will take that into consideration.

I again find that there is nothing out of order, and I believe we were at reading the bill. The minister had read it and I'm going to read it.

The Minister of Finance has moved An Act to implement the measures contained in the budget and to implement other initiatives of the government.

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

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

All those opposed will please say "nay."

In my opinion, the ayes have it.

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

The division bells rang from 1448 to 1453.

The Speaker: Would the members kindly take their seats, please.

Mr Flaherty has moved first reading of a bill entitled An Act to implement measures contained in the budget and to implement other initiatives of the government.

All those in favour of the motion will please rise one at a time and be recognized by the Clerk.

Ayes

Arnott, Ted	Harris, Michael D.	Ouellette, Jerry J.
Baird, John R.	Hodgson, Chris	Runciman, Robert W.
Barrett, Toby	Hudak, Tim	Sampson, Rob
Beaubien, Marcel	Jackson, Cameron	Snobelen, John
Chudleigh, Ted	Johns, Helen	Spina, Joseph
Clark, Brad	Johnson, Bert	Sterling, Norman W.
Coburn, Brian	Klees, Frank	Stewart, R. Gary
Cunningham, Dianne	Marland, Margaret	Stockwell, Chris
DeFaria, Carl	Martiniuk, Gerry	Tascona, Joseph N.
Dunlop, Garfield	Maves, Bart	Tilson, David
Ecker, Janet	Mazzilli, Frank	Turnbull, David
Flaherty, Jim	Miller, Norm	Wettlaufer, Wayne
Galt, Doug	Munro, Julia	Wilson, Jim
Gilchrist, Steve	Murdoch, Bill	Witmer, Elizabeth
Gill, Raminder	Mushinski, Marilyn	Wood, Bob
Guzzo, Garry J.	Newman, Dan	Young, David
Hardeman, Ernie	O'Toole, John	

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

Nays

Agostino, Dominic	Duncan, Dwight	McMeekin, Ted
Bartolucci, Rick	Gravelle, Michael	Parsons, Ernie
Bountrogianni, Marie	Hampton, Howard	Patten, Richard
Boyer, Claudette	Hoy, Pat	Peters, Steve
Bradley, James J.	Kennedy, Gerard	Phillips, Gerry
Brown, Michael A.	Kormos, Peter	Prue, Michael
Christopherson, David	Kwinter, Monte	Pupatello, Sandra
Churley, Marilyn	Lalonde, Jean-Marc	Ramsay, David
Colle, Mike	Levac, David	Ruprecht, Tony
Conway, Sean G.	Marchese, Rosario	Sergio, Mario
Cordiano, Joseph	Martel, Shelley	Smitherman, George
Crozier, Bruce	Martin, Tony	Sorbara, Greg
Di Cocco, Caroline	McGuinty, Dalton	
Dombrowsky, Leona	McLeod, Lyn	

Clerk of the House (Mr Claude L. DesRosiers): The ayes are 50; the nays are 40.

The Speaker: I declare the motion carried.

The minister for a short statement on the bill, or will you do it later?

Hon Jim Flaherty (Deputy Premier, Minister of Finance): I will be making a minister's statement.

STATEMENTS BY THE MINISTRY AND RESPONSES

ECONOMIC STATEMENT

Hon Jim Flaherty (Deputy Premier, Minister of Finance): The appalling events of September 11 have

reminded us that our most cherished values and our very way of life cannot be taken for granted. In the aftermath of these horrifying tragedies, we have gained a deeper sense of the values that define our society, values such as respect for the individual, economic opportunity, justice, compassion, and the free flow of people, goods and ideas.

Today, as I discuss the outlook for our economy and the state of our finances, my focus is on preserving and defending our core values. I believe we can remain true to our values by following the key principles that have guided our economic and fiscal policies since 1995. These principles include commitment to economic growth to create jobs; confidence that the people of Ontario are in the best position to decide how to spend and how to invest their own money; fiscal responsibility, which means spending tax dollars wisely and giving taxpayers the best value at the lowest cost; responsible choices, since government, in facing competing demands, has an obligation to set priorities and make responsible decisions; accountability, because the citizens of the province are entitled to know how their money is being spent; and protecting the most vulnerable, since as a caring society we have a duty to reach out to those who need our help. It is by fostering growth, spending wisely and making responsible choices that we are able to help those who are most vulnerable. Finally, looking to the future, so that while dealing with immediate concerns, we also plan for tomorrow.

These guiding principles have stood us in good stead. We will stay the course. Staying the course requires strong leadership and tough decisions. Since 1995, Premier Mike Harris has provided the decisive leadership we need. Under his leadership, Ontario has prospered as never before: 824,200 net new jobs have been created; take-home pay is up 20%; 602,000 people have broken the cycle of welfare dependency. We are expecting a third consecutive balanced budget for the first time in nearly 100 years. With the end of deficits, the province's credit rating has been upgraded.

1500

But prudent fiscal management, low taxes and more jobs are only half of our success story. The other half is that as a result, we are able to provide the services people rely on and help the most vulnerable. For example, we have delivered on our budget commitments to increase services for people with developmental disabilities.

Our economic climate in Ontario is changing. Now private sector forecasters, on average, expect Ontario's economy to grow only 1.1% this year and 1.3% next year. This is a substantial change from the 2.3% they predicted for this year and the 3.6% they predicted for next year at the time of our spring budget. Although private sector forecasters expect Ontario's growth to pick up in mid-2002 and accelerate to 4.3% in 2003, we know that serious economic and financial challenges lie ahead.

At this point, we have two options. We could let ourselves slip back into the days of deficits, high taxes and high unemployment. Or we can build on the Prem-

ier's legacy of strong leadership and renew our commitment to fiscal responsibility. We believe that the answer is obvious.

This government will not surrender the hard-won gains that have restored Ontario to prosperity. Today I want to assure the people of Ontario that because of the Premier's leadership and their hard work, Ontario is better prepared than ever to weather a period of economic uncertainty.

We remain on track for a balanced budget for 2001-02. As a cushion against the unexpected, we included a reserve of \$1 billion in the spring budget. We plan to use \$300 million to balance the budget this year, leaving us with a \$700-million reserve. Next spring we plan to table Ontario's fourth consecutive balanced budget.

It is true, of course, that a slowing economy means slower growth in government revenues, and our commitment to fiscal responsibility means that our spending can increase only as fast as our revenues increase. We are not a government that plans for deficits. Currently our revenue projections are down, yet pressures for more spending on priorities like health care, education and infrastructure are up.

Health care is the biggest item in the Ontario budget. Since the spring, we have increased funding to hospitals by \$300 million. This year we are spending more than \$23.7 billion on health care, an increase of 6.9% from one year ago.

We have increased our investment in health care by more than \$6 billion since we came to office, but the federal government continues to provide less to health care than it did in 1994-95. To maintain its 1994-95 share, the federal government should be providing \$2 billion more for Ontario health care in 2002-03, rising to \$3 billion in 2005-06.

To date, as the Premier said yesterday, we have been able to pick up the slack for Ottawa, but in a slowing economy we can no longer afford to do so. To be blunt, I hold out little hope that the federal government will make the necessary financial commitment to the people of Ontario and the health care of the people of Ontario. We will soon begin consultations leading up to the 2002 Ontario budget on how we can make up for the federal shortfall in health care spending.

This government will make the tough choices needed to secure Ontario's future. There is no question that this is the right government to lead Ontario in uncertain times. Some people would argue that in times like these we should not move forward with our tax cuts; others would even advocate raising taxes. But we believe that sticking to our tax-cutting plan is more important than ever. Low taxes attract business. More business means more jobs and higher government revenues.

Since we started cutting taxes, our annual tax revenues have increased nearly—

Interjections.

The Speaker (Hon Gary Carr): Sorry to interrupt, Minister. Order. We need to be able to hear. With both

sides shouting, it's very difficult. Sorry for the interruption, Minister.

Hon Mr Flaherty: Since we started cutting taxes, our annual tax revenues have increased nearly \$15 billion. With this government at the helm, Ontario has weathered heavy storms before. The people of Ontario can be confident we will do it again.

September 11 made it clearer than ever that safe communities are fundamental to a strong economy. That's why in the aftermath of the tragic events the government acted quickly to make Ontario safer.

Today I am announcing three more anti-terrorism and emergency management measures, bringing our recent investments in Ontario's security to more than \$30 million. This new funding will do three things: first of all, enable Emergency Measures Ontario to offer municipalities more help with community emergency planning; second, to build an anti-terrorism training facility for local police at the Ontario Police College at Aylmer; third, to build an emergency management training centre, particularly for high-rise emergencies, for firefighters and ambulance personnel at the Ontario Fire College in Gravenhurst.

Border security issues are also critical for the economy. One quarter of Ontario's total output is exported to the United States. Half of our manufacturing shipments go to the United States, and many Ontario factories depend on just-in-time delivery of imported parts. The free movement of goods and services across a secure border must be preserved. The Premiers of Ontario, Quebec and British Columbia have all called for a common North America-wide security perimeter. Business leaders tell me that Ontario must be inside, not outside, the perimeter if we expect to remain an attractive place to invest and do business. I challenge the federal government to commit to a North America-wide security perimeter.

We need to work with our American neighbours to remove barriers between us and build a secure boundary around us. Borders are a federal responsibility, but all provinces have an enormous economic stake in these areas. We need a joint approach to finding a solution.

Following the September 11 tragedies, we expressed our confidence in the people and businesses of our province by proposing to accelerate planned tax cuts. Today I am tabling legislation to advance to October 1 the reductions in personal income, corporate and capital taxes originally scheduled for January 1. I am pleased to announce that this bill would also accelerate the application of the lower small business tax rate to more businesses. These tax changes inject an additional \$176 million into the economy for this year.

We know that September 11 has had a severe impact on tourism. The industry has told us about lost business, lost hours and lost jobs in the restaurant and accommodation sectors. Last month, in response, the Minister of Tourism, Culture and Recreation, Tim Hudak, launched a \$4-million tourism marketing strategy.

Today I am announcing a further investment of \$10 million to support a more aggressive multi-pronged cam-

paign. This campaign has two parts. The first, Come Stay With Friends, is aimed at our American friends and neighbours in neighbouring states. The second, Pride in Ontario, is designed to encourage Ontario residents to help make up for the drop in international visits by travelling in our own attractive and exciting province.

I would ask families that might be thinking of a winter break to consider events here in Ontario, like the Festival of Lights at Cullen Gardens in Whitby, Handel's Messiah at Stratford and the Old-Fashioned Christmas Walk in North Bay. The people of this province can play a role in boosting the economy. If we pull together, our individual actions can make a big difference.

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Some other things people across the province can do are to start your holiday shopping right now; to give an extra present this year to someone less fortunate through one of the many charity drives in all our communities across the province; to go ahead with that home improvement project you've been putting off; to treat the family to a dinner out. In short, the economy will benefit if everyone gets back to normal.

We know that a slowing economy is especially hard on lower-income parents. We value their hard work and their dedication to raising their families. The tax cuts in the spring budget will remove 75,000 lower-income earners from the tax rolls so that they can keep more of their hard-earned money.

Today we are thinking about families again. We understand that an economic slowdown is tough for them. For this reason, I'm announcing a one-time payment of \$100 to low- and middle-income working families for each child under age 7. It is our goal to get these payments in the hands of families in time for December holiday shopping. This would give these parents some extra help to do what they do best: care for their children. About 367,000 children will benefit from this initiative. The average payment would be about \$165 per family.

One of our economic advantages is the unparalleled commitment this government has made to investments in highways, hospitals, colleges and universities. These investments will support an increasing population and a growing economy. By the end of this fiscal year, the government will have invested nearly \$9 billion through the Ontario SuperBuild Corp and committed further funding to municipal infrastructure. Through public- and private-sector partnerships, the total investment will reach over \$13 billion. Moreover, we have committed \$3 billion to a \$9-billion transit investment plan. We are still waiting for the federal government to match our commitment.

SuperBuild's projects are coming on stream at the right time. They will help keep our economy steady in this period of uncertainty. Cranes and work crews can be seen in communities across Ontario in the hundreds of SuperBuild projects now underway.

Today it is my pleasure to announce a further series of SuperBuild investments: \$13.4 million toward a research

and technology park located on the campus of the University of Waterloo to provide high-tech firms and research companies with space to grow; \$6.6 million toward an upgrade of the David Street Water Treatment Plant, ensuring that 40,000 residents of Sudbury can count on clean, safe drinking water; \$32 million in priority projects to enable the city of London to take advantage of its strategic location in the Highway 401 trade corridor, such as the widening of Airport Road—

Interjection.

Mr Frank Mazzilli (London-Fanshawe): Why don't you shut your trap, Sandra, so the rest of us can hear?

The Speaker: Take your seat. Stop the clock. That's it, no warning, I'm naming the member and asking him to leave the chamber for the day. I will not tolerate that.

Mr Mazzilli was escorted from the chamber.

The Speaker: I'm sorry, Minister, I may have missed a few seconds on the clock. If we run down, I think there's about 10 seconds. I apologize.

Hon Mr Flaherty: Thank you, Mr Speaker. It's \$32 million in priority projects to enable the city of London to take advantage of its strategic location in the Highway 401 trade corridor, such as the widening of Airport Road and the servicing of Skyway Industrial Park; \$70 million toward a package of transportation and tourism investments in the city of Ottawa that will improve access to business parks, promote local tourism and support the city's smart growth plans.

Details on these initiatives, as well as hundreds of other sport, culture, tourism, transportation and clean water projects will be announced by year-end. All of these investments will help position Ontario for long-term economic success. They will also get capital dollars working now for communities here in Ontario.

Government is the servant of the people, and the people have a right to know how their money is being spent. Today I am pleased to announce that we are moving ahead with our budget commitment to perform a value-for-money review of provincial government services and activities. The purpose is to ensure that government dollars are focused on the core services that people count on, not on areas where government does not belong.

The performance of our economy and the quality of our lives are connected. It is a prosperous economy that creates the wealth to support essential public services, such as health care and education, and to assist those who need our help, and it is a prosperous economy that offers hard-working families the promise of a brighter future. We have the fundamentals in place for long-term growth, and we will not stray from this path. The people of Ontario can have confidence in the long-term future of the economy.

When I entered politics, I was thinking not about my own prospects but about the kind of world our three sons would live in. I think that is how most parents look at things. We make decisions not just for today but for tomorrow. Government must do the same, and this government is.

Applause.

The Speaker: Responses?

Mr Dalton McGuinty (Leader of the Opposition):

If the government members applaud this much for virtually nothing, it would be interesting to see what they would do if something of substance was ever presented by the government.

On behalf of Ontario's working families, I want to acknowledge receipt of this government's official declaration of intellectual bankruptcy. The idea well has run pretty dry. We find ourselves in the midst of an economic downturn, we've had plastered on top of that a horrific terrorist incident which has also dampened consumer confidence, and what does this government come up with? They come up with a series of reannouncements and they advise us to take the kids out for dinner and to go on Christmas walks. That's the best this government can come up with in these trying times.

Let us cut to the chase. While it's true that our families find themselves in the midst of an economic downturn and it is true that the events of September 11 have acted further to dampen consumer confidence, it is also true that this government has failed to act in a fiscally responsible manner, and our families are about to pay a terrible price.

While none of us could foresee the terrorist acts of September 11, we could all foresee, and it was eminently predictable, that there would be at some point, sooner or later, a downturn in the economy. This government should have prepared us for a drop in revenues. It should have prepared us for tough times. It should have built a firewall around services that families absolutely need to be able to count on. This government should have ensured that today we would find ourselves in a position where we could protect our health care, where we could protect our education and where we could protect our environment. Those are the kinds of things this government should have been in a position to protect. Instead, this government has failed to take advantage of the good times in order to prepare us for the bad times.

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I want to be very specific about the wrong decisions this government made. First of all, this government borrowed \$10 billion for tax cuts and today our families pay, on an annual basis, an additional \$800 million in interest. That was a wrong decision for our families.

As well, this government remains determined to proceed with another \$2.2 billion in corporate tax cuts for our corporations which are already competitive. When it comes to competitiveness, this government and our party have a decidedly different definition. They believe we should have the lowest corporate taxes in North America. We believe that when it comes to competitiveness, we should have competitive taxes and we should have the best schools, the best health care, the cleanest air, the cleanest water, and we should have fiscally responsible management. To our way of thinking, at the beginning of the 21st century, that is a progressive definition of

competitiveness which these people will never, ever understand.

Let me tell you about another wrong decision this government insists on making. At a time when our public education is struggling, at a time when parents are losing confidence, at a time when our test scores are simply not measuring up, this government is determined to transfer \$500 million to private schools. That's a wrong decision for our families. This government fails to understand that in a knowledge-based economy, a healthy, vibrant, robust, inspiring public education system is the foundation for our prosperity. They don't get it; we do.

The other thing this government simply fails to recognize is that our families do not support their continuing expenditures on partisan political advertising. Twice I have introduced a bill in this Legislature which would outlaw the use of taxpayer dollars on partisan political advertising, and twice this government has refused to support it.

The other thing this government did when it comes to making a wrong decision from the perspective of Ontario's working families is that this government blew \$1 billion on a publicity stunt and sent out \$200 cheques. I can tell you that where we find ourselves now at this time in our economic struggles, it would have been nice to have \$1 billion available to support education, to support health care and the protection of our environment.

If this government wants to be responsible and to protect the interests of our families and to protect our economy, what they should do is cancel the corporate tax cut, pass my bill on partisan advertising, and reject the expenditure on private schools.

Mr Howard Hampton (Kenora-Rainy River): Most people in Ontario, in Canada and around the world would agree that our world has changed dramatically over the last two months. Thousands of people have lost their lives. We witnessed in the economy to the south of us the admission that they've lost 400,000 jobs, the admission that consumer confidence has virtually disappeared, and the admission that they're going to lose even more jobs.

Here in our own province, 29,000 people have lost their jobs since May of this year. The government's own statistics tell us retail sales here are dropping, and are dropping considerably. The government's own statistics tell us that housing starts are also starting to decline. We know from some of the recent announcements from other corporations that have not yet cut jobs that they are very likely to cut jobs. People are worried about the state of the economy and they're calling on the provincial government to give a response.

What was the response today? The response today was that the government is going to continue to push \$2.5 billion in corporate tax cuts out the door. The government will look after its bank friends and its financier friends on Bay Street. But for the 29,000 people who have lost their jobs, the government has no plan. For people who are worried about losing their jobs, the government has no plan. For tens of thousands of people who work in sawmills across northern and central

Ontario, who are being told that their mill may shut down and they may lose their job, the government has no plan. For hundreds of thousands of people who work in the retail sector and who know, because of declining consumer confidence, they may lose their jobs, the government has no response. For people who live in north-eastern Ontario, where one mill has shut down today, the government's response is that they're going to make it easier to shut down the Northlander, rail transport, and cut more jobs.

This is a government that announced today, at a time when many people are worried about losing their jobs, losing their livelihoods, it will look after its corporate friends, and as for the rest of you in Ontario, you're on your own. That's what this government has said.

It is so revealing that at a time when housing starts are declining, at a time when we know jobs are at risk, the government talks about SuperBuild and doesn't even blush that it has actually cut capital funding by \$3 billion from what it was three years ago, when the economy was booming; that capital investment is now at an all-time low in Ontario. Not only that, announcements that it has made about SuperBuild, it cannot get out the door. So community after community that wants to repair its water treatment system, that wants to rebuild its sewage treatment system, that wants to put people to work on a valued community construction project, can't do it, because this government refuses to put the money out the door.

This is what should have been said today by this government. If it was serious in responding to the needs of all those people who are unemployed or who fear becoming unemployed out there, the government should have said that it is going to rescind the \$2.5 billion in corporate tax cuts. It should have said, to address the issue of declining consumer confidence, that it was going to create a retail sales tax holiday for the next three months so people can go to the shopping mall and buy what they need. The government should have announced today, not just announced today but should have been going to community after community around this province and delivering the cheques so that those needed community construction projects can begin now. After seven years of freezing the wages of the lowest-paid, it should have increased the minimum wage in Ontario.

ORAL QUESTIONS

CORPORATE TAX

Mr Dalton McGuinty (Leader of the Opposition): My question is to the Minister of Finance. Minister, the economy is slowing down. You've revised your projected rates of growth. Last year, you told us that you expected this year it would be 2.2%, next year 3.5% in terms of growth, but you've revised those down to 1.1% and 1.3%, respectively.

Things are getting tight around here, and our families are wondering why it is that you remain hell-bent on proceeding with a \$2.2-billion corporate tax cut. That's not their priority; that remains your ideologically driven priority. Will you now admit that, given these economic circumstances, it is entirely inappropriate and irresponsible to proceed with your \$2.2-billion corporate tax cut?

Hon Jim Flaherty (Deputy Premier, Minister of Finance): Job creation is not ideological. The creation of jobs for people in the province of Ontario is fundamental to the health of our families. You know, you're still at the point where you don't get, through you, Mr Speaker, the concept that if you reduce corporate taxes, you increase corporate investment, that if you increase investment in plants and machinery and work sites, you create more jobs, that if you create more jobs, you create more revenues for the government of Ontario.

This isn't academic; this isn't theoretical. This is exactly what has happened in Ontario over the course of the past five years. Quite frankly, it's sad the Leader of the Opposition still doesn't get it.

1530

Mr McGuinty: We've had 26,000 fewer jobs recently, Minister. What I do get and what Ontario families do get is that we have the overwhelming majority of our exports going to the south, going to the US. They've had a very healthy economy, and that has benefited us. We've had a low dollar, we've had low rates of inflation and the Bank of Canada has been very cooperative in terms of keeping interest rates down. That is what has helped us here, the boom in Ontario.

The problem now is that the people down south are experiencing an economic downturn. Many would argue that they're officially, down there, in a recession. We are going to take it on the chin up here as a result of what's happening down there. We know our revenues are going to drop. We know people are going to lose their jobs. We understand that. What we believe as well is that it is entirely irresponsible, given the circumstances, to proceed with another \$2.2 billion in corporate tax cuts. I ask you again, Minister, on behalf of Ontario's working families, will you now cancel your ideologically driven corporate tax cut?

Hon Mr Flaherty: Ontario's families are working in large part because of the tax cuts. We want people working. We don't want people on social assistance. If the member opposite looks at the documents today, if he looks at the papers, he'll see in paper B, with respect to corporate tax cuts supporting investment, "The value of Ontario business investment in machinery and equipment almost doubled in real terms between 1995 and 2000. Real investment in commercial and industrial construction rose by about 35% over the same period. The value of building permits issued by municipalities for total commercial, industrial and institutional construction projects rose by 6.1% over the first eight months of 2001 from the corresponding period a year earlier."

Not only does the Leader of the Opposition not get it, he can't understand it. It's in the papers. He ought to

have a look at it and see the benefit for the people of Ontario. That's where jobs come from. He ought to know that.

Mr McGuinty: Minister, let's take a look at your government's record. We've had the slowest growth in the country right here in Ontario this year. We're anticipated to have the slowest growth in the country next year. These are the results of your government's economic policies. They're not the matter of recent events that took place south of the border.

Minister, you remain ideologically obsessed with a corporate tax cut, and as a result of that, you are compromising our future fiscal flexibility and you're compromising this government's ability to meet our families' continuing needs. We need textbooks in our schools. We need smaller classes for our children. We need more hospital beds in our hospitals. We need more environmental inspectors out there on the job, protecting the air and water for our families.

Those are the things that in an age where people are as mobile as capital make us truly competitive. We're after people. You think business alone leads to the competitiveness of our province. I disagree entirely on that. I ask you one more time, Minister, on behalf of our families, why do you remain ideologically obsessed with your \$2.2-billion corporate tax cut?

Hon Mr Flaherty: I don't know who the Leader of the Opposition thinks works for corporations. They are people. They are real people who have real families in Ontario. The health of their employers is vitally important for the health of their jobs and for the health of their families.

This is a Leader of the Opposition who 66 times during the last term voted against tax cuts. Every time our government brought forward a bill, he was against tax cuts. He says today he's against tax cuts, but when he ran as leader, seeking to become the government in Ontario, he said, "I will not reverse the tax cuts if I become Premier. You can't afford to do so. It would send out a negative signal about our economy."

Things may change. Today the Leader of the Opposition is against tax cuts. Two years ago he was for tax cuts. It's only Tuesday. I'll wait for the week to be out. He may change his mind.

ONTARIO EMERGENCY MEASURES FUNDING

Mr Dalton McGuinty (Leader of the Opposition): My question is for the Minister of Finance. In your statement today, one of the things you said is that you are bringing our recent investments in Ontario's security to more than \$30 million. I refer you to the document you produced on Ontario's finances, and specifically to the page entitled Operating Expenditure. Opposite the Solicitor General, there is, for in-year change, an additional \$12 million. You made reference in your statement to \$30 million. Some of your members say it should be additional. I guess I'll agree that there should be an

additional \$30 million. The only additional money that is supplied under your operating expenditure document is \$12 million. Minister, where is the \$18 million that is missing?

Hon Jim Flaherty (Deputy Premier, Minister of Finance): The cost of the new building at the Ontario Fire College, I understand, will be in excess of \$3 million. The cost of the new building at the Ontario Police College will, I understand, be something in excess of \$3 million. If the member opposite is against helping our emergency workers, if he is against helping our firefighters, if he is against making sure our firefighters, our ambulance workers and our police officers are safe when they're faced with high-rise situations, he should just say so. We think it's the right thing to do for our emergency workers in the province of Ontario.

Mr McGuinty: Perhaps we'll try again. Minister, you specifically stated just a few moments ago in your statement that you are going to provide Ontario security with more than an additional \$30 million. In your budget document, under operating expenditures—and I ask the minister not to confuse capital expenditures with operating expenditures—you provide an additional \$12 million. I'll tell you why this is not an academic debate: security measures weigh heavily on the minds of Ontarians and, as well, on the minds of our police chiefs, fire chiefs and people in our municipalities who want to take action with monies you are about to provide to them to ensure their communities are safer for Ontario families.

You've made a specific commitment for an additional \$30 million. My question to you is, why is it that in your operating expenditure document you tell us you're only going to spend an additional \$12 million this year?

Hon Mr Flaherty: Again, the Leader of the Opposition is having difficulty understanding what was in the remarks. The total was \$30 million—he's absolutely right—and some of those initiatives are in the papers he has and in the speech I just gave.

In counterterrorism—if the member opposite really wants to know:

Enhanced Criminal Intelligence Service Ontario: \$1 million for intelligence equipment, \$400,000 for training, \$2.5 million annualized, 24 new FTEs—full-time equivalents.

Enhance the ROPE squad: \$1 million annually, eight FTEs.

Establish the anti-terrorism unit: \$3.5 annually, 24 FTEs.

Enhance the OPP hate crimes and extremists unit: \$400,000, two FTEs.

Emergency measures: a one-time \$3.6 million, annualized \$7.36 million, 42 FTEs.

There are more on the list, but he probably has a supplementary and I'll be able to fill him in on it.

Mr McGuinty: Minister, you've been found out. You've been caught. You've been doing what many in your government do on an ongoing basis: you make announcements, and you don't back them up with substance. You said there was going to be an additional \$30

million for emergency measures in Ontario. Your document says there is only an additional \$12 million in your operating expenditure document. It's right here in black and white.

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This may be an academic argument as far as you're concerned, but I was in to see Chief Fantino yesterday. Do you know what he told me? He told me he hasn't received an extra penny yet from this government when it comes to implementing new emergency measures with his police service. I'm sure other police and firefighting services around the province have the same concern.

They're relying on you to come up with the extra bucks. You said specifically there would be \$30 million. Your operating expenditures say no, there will only be \$12 million. I have a very simple question on behalf of our police, our firefighters and Emergency Measures Ontario: where is the extra \$18 million?

Hon Mr Flaherty: The budget figure to which the member opposite refers is of course for this year. You can't hire people retroactively. When you stretch out and hire people, of course it's \$30 million. I would think the Leader of the Opposition, if he understands anything about Ontario finances at all, which is questionable, would understand that.

What I said in the statement today was that I was announcing three more anti-terrorism and emergency management measures, bringing our recent investments in Ontario's security to more than \$30 million. We think that's a good investment. We think we should be building a place at the fire college so our emergency workers can learn that. We think we should be building a new facility at the Ontario Police College in Aylmer so our police officers can be trained properly in anti-terrorist measures. We think those are the right things to do; apparently the Liberals don't.

CORPORATE TAX

Mr Howard Hampton (Kenora-Rainy River): My question is for the Minister of Finance. Minister, yesterday your Premier went out of his way to say, six or seven times, that your government would not be finding more money for health care, yet today you have said clearly here that you have found the money to finance \$2.5 billion in corporate tax cuts. Can you explain to us how it is that your government can say, "We have no money for health care"—that was the clear message from the Premier yesterday—but your message here today is, "But we have lots of money for \$2.5 billion in corporate tax cuts"?

Hon Jim Flaherty (Deputy Premier, Minister of Finance): Because corporate tax cuts increase government revenues.

Mr Hampton: You are the Minister of Finance. We listened to the Premier very deliberately say it yesterday, at least six times. We hear in the media today the head of the Ontario Hospital Association saying that hospitals are not up to a major crisis, that they continue to have a cash

problem. We know that home care is being substantially underfunded across the province, and seniors and the chronically ill are being cut from home care. Yet you came here today and said that you can afford to finance \$2.5 billion in corporate tax cuts.

I think you owe it to the people of Ontario to tell them how it is that something we value so much in this province, that people in this province want to see preserved and sustained, your government says you have no money for, yet you boldly tell them you can finance another \$2.5 billion in corporate tax cuts. Please, will you explain that to people?

Hon Mr Flaherty: The member opposite clearly doesn't understand that it's not a question of financing corporate tax cuts or any other tax cuts. He advocates a reduction in the retail sales tax. Why does he advocate that? I assume he advocates that because he thinks it will increase government revenues, because you're accelerating the spending of money by reducing the RST. I assume that's what he was thinking about when he came forward with that idea. It's the same idea with personal income tax cuts and corporate tax cuts. What happens in fact is that government revenues increase.

I know you don't get that, but if you look at the history of Ontario in the last six years, it's been proven to be true. Imitation is the sincerest form of flattery. Not only has Ontario led in that way, but every other province in Canada has followed the lead of Ontario, and the federal government has followed our lead. The Prime Minister, the federal Minister of Finance, everybody except for the members opposite, understands that if you reduce taxes you will actually increase government revenues.

Mr Hampton: No, Minister of Finance, a temporary retail sales tax holiday would cost the province, one time only, about \$1.5 billion. Your corporate tax giveaway is a permanent \$2.5 billion. The one provides some funding for health care and education; yours doesn't. The one acts to stimulate consumer confidence; yours only benefits your corporate friends.

I ask you again. We've got people out there without jobs. We've got people who are going to lose their jobs. We don't have the funding for health care, as your Premier said yesterday, yet you have \$2.5 billion for corporate tax cuts. Admit it. That's your real priority. Your friends, the bankers, the financiers on Bay Street, that's your real priority. Everyone else in Ontario can sort of get in line. That's the priority, isn't it, Minister?

Hon Mr Flaherty: It's clear that the member opposite does not understand that most of the job creation in Ontario has not been in the large corporations. It's been in the small companies, the companies that employ five, six and seven people, those who employ the workers you speak about so often. Whom do you think they work for? Who do you think employs these people? Do you think the corporate tax cuts go to Bay Street? Where do you think people are working in Ontario? In your communities and in my community. They're working in small business, sometimes in medium-sized business.

Should we punish them? Should we somehow say to them, "You're not welcome in Ontario"? Should we make high taxes and do high spending like the Liberals did from 1985 to 1990, like the NDP government did from 1990 to 1995? Should we follow that road to ruin? No, sir, we will stay the course.

The Speaker (Hon Gary Carr): New question?

Mr Hampton: To the Minister of Finance again. We know, for example, that the six largest banks, having made profits of \$11 billion last year, are going to get the lion's share of your corporate tax cut. We know, for example, that all of those companies out there that are not making a profit this year are going to see nothing from your corporate tax cuts because, if they don't make a profit, they don't pay any corporate taxes. If they don't pay any corporate taxes, they can't get a corporate tax reduction. Stop trying to fool people—companies like The Bay, companies like Sears. Those retailers that are not making any money are not going to get anything from your corporate tax cuts.

You are looking after the most well-off corporations and the most well-off people in this province, and you're saying to everyone else who needs health care, who needs education, who needs community services, "You don't matter." I'm just saying to you, Minister, why don't you stand up and say that? It's obvious from what has gone on here over the last two years.

Hon Mr Flaherty: The job creation is with small business. We welcome small business. We've reduced taxes on small business in Ontario. We think that's a good thing to do. We think it's good that they reinvest in this province. We think it's great that they employ more people in our communities all across Ontario. We think that entrepreneurial spirit should be encouraged and we should celebrate their successes. I'm sorry the member opposite does not share that. I can tell you what he's saying about economic theory is voodoo. I have not heard such voodoo in economic theory since the Social Credit Party existed in Canada.

Mr Hampton: You know someone is in trouble when they start describing the opposition ideas with terms like "witchcraft." You know they're in trouble.

What I want to know, though, because you always refer to this, Minister: we've got 22 sawmills across northern and central Ontario that employ over 100 people each, and then indirectly more people are affected. All of those companies are facing layoffs. One in Kirkland Lake just announced 100 layoffs today. Would you tell us how your corporate tax cuts are going to affect or are going to help those thousands of people who are on the verge of losing their jobs? What did anything you said today do to help any of those people who either are about to lose their jobs or have already lost their jobs?

Hon Mr Flaherty: Actions speak louder than words. The actions of our government, led by Premier Harris over the course of the past six years, have brought a firm foundation to Ontario that the province did not have six years ago. When the NDP government—the leader of the NDP is asking the question—left office in 1995, when

they were turfed from office in 1995, the deficit for that year was going to be around \$11 billion. Imagine the condition we would be in now, in a time of economic slowdown, if that were the situation in Ontario today.

Similarly, when the Liberal government was thrown out of office in 1990, they had gone through a period of high spending and high taxation, increasing the gasoline tax, creating a new tax on tires, increasing the retail sales tax, increasing corporate taxes, and look at what they brought the province of Ontario: a recession in 1990-91. No, thank you. We will stay the course. We're not going to high spending and high taxes in Ontario.

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ONTARIO ECONOMY

Mr Gerry Phillips (Scarborough-Agincourt): My question is to the Minister of Finance. You indicate in your statement that next year things will begin to pick up in Ontario, yet in your economic outlook you point out that we will have the worst job creation performance since 1992. In your economic outlook it looks like we will perhaps see under 20,000 jobs created next year in Ontario. Just four or five months ago you were predicting 180,000 jobs.

If people in Ontario are to believe that we are going to see this economic upturn next year, why are you predicting the worst job creation in Ontario in at least 10 years, Mr Minister?

Hon Jim Flaherty (Deputy Premier, Minister of Finance): There's no question that we have had phenomenal job growth in Ontario over the course of the last five years. We've had an economy growing at 5% and 6% and 7%, resulting in tremendous job growth, which is wonderful for the people of Ontario—more than 600,000 people off welfare, over 800,000 net new jobs created in Ontario.

We are in a time of economic slowdown. We are also trying to deal with the consequences of the tragedies of September 11. I don't relish those consequences. Every time a person loses a job in Ontario, that is a sad day for that person and for that person's family. I don't look forward to hearing about smaller job creation. But we are in a slowdown, and the key here is to keep an eye on the horizon, to keep a steady hand on the helm; not knee-jerk reactions, not quick little programs, not the kind of thing that was attempted by the NDP government in 1990-91, not high spending, not high taxation. Be steady, keep our policies as they are and keep Ontario an attractive place to do business.

Mr Phillips: I appreciate the rhetoric. I just say to you, Minister, that you told the people of Ontario a few minutes ago that next year the economy will begin to recover. People are worried out there. People are concerned. Yet I see in your economic statement that in fact you're predicting the lowest job growth since at least 1992. I simply want you to answer the question for the people of Ontario. You're telling them the economy will recover next year. Why is it that you are predicting job

growth of under 20,000 jobs? Can you give us an answer to that question?

Hon Mr Flaherty: If there's lower economic growth, which is what is anticipated, there will likely be lower job growth.

HIGHWAY NOISE BARRIERS

Mr John O'Toole (Durham): My question is to the Minister of Transportation. I want to be on the record about your prompt response to my letter earlier this year regarding a question from my residents in the riding of Durham; in Newcastle, specifically. They're asking for information about the construction of a noise barrier along Highway 401 in the village of Newcastle. They had pointed out that the noise on the 401, since its widening, I might add, under our government, has interfered with the enjoyment of their property. The ministry has indicated that the noise barrier is not currently in the minister's capital budget this year. I'm asking you today, Minister, if you can explain why this is the case.

Hon Brad Clark (Minister of Transportation): I want to thank the member for his question. I'd like to assure the member that this government is committed to highway improvements in Durham region that support economic growth and allow local residents to enjoy their quality of life.

I would like to confirm that the Highway 401 site in Newcastle is indeed a prime candidate on my ministry's retrofit noise barrier program. The project is subject to the availability of funding from the ministry's capital construction budget and, as everyone is aware, there are many projects competing for these capital construction dollars. Several strategic expansion projects are underway to relieve congestion on Ontario's highways. We have accounted for over \$1 billion in total capital spending and much of that was multi-year spending. They were awarded and we're working diligently to complete those projects.

Mr O'Toole: Thank you very much for that response. For the record, Minister, it's reassuring to hear that our government's commitment is there to invest in the important transportation infrastructure in Ontario. However, the residents of Newcastle are continuing to bring this need for a noise barrier to my attention. Can you confirm that this project continues to remain a very high priority candidate for the retrofit program, and could you indicate when the Newcastle noise barrier might be approved in the future?

Hon Mr Clark: It's important to emphasize that no projects my ministry has committed to have been cancelled. Every one of the commitments we have made remains as a priority for this government.

As for the Newcastle noise barrier, I am pleased to inform the member that the design of this project is nearly complete, and we will continue with some minor consultations with the community. This consultation with residents is planned prior to finalizing the additional short section of the barrier close to Lakeview Road. This

consultation will take place once the timing of construction has been determined. A number of strategies are being examined to keep individual construction projects on track, such as restructuring certain projects and matching some other projects with federal dollars. At the end of the day, I can assure the member that the noise barrier remains a commitment of my ministry.

HEALTH CARE REFORM

Mrs Lyn McLeod (Thunder Bay-Atikokan): My question is for the Minister of Health. Your government has been determined to bring in user fees for health care from the day it took office. You started government with an \$800-million cut to hospital budgets to pay for your first tax cut. You told people they could get their care at home, and then you made them pay for that care. Then you brought in copayments for seniors' drug plans. Then you decided to make families and seniors pay for hearing tests. Then you made more and more people, mostly seniors, pay for physiotherapy. Now, Minister, you're at it again. You're bringing in another tax cut and you're talking about more user fees for health care.

Every new user fee hits hardest at families and at the elderly. Minister, Mike Harris used to say that a new user fee is a new tax. So I ask you, why are you prepared to tax families and seniors to pay for a tax cut for wealthy corporations?

Hon Tony Clement (Minister of Health and Long-Term Care): Let's be straight on the record here. This is the government that added over 1,200 new medications to the Ontario drug benefit plan. This is the government that is a leader in the world in flu vaccination that helps our seniors, helps our children, helps all of the population avoid the flu and avoid the emergency ward. This is the government that increased home care, from when it was elected, by 72%.

We have nothing to apologize for when it comes to our caring and compassionate reaction to our growing and aging population. That is what we are committed to: being there for our seniors, being there for the population as the health care demands continue to increase and as we seek newer and better ways to deliver quality, accessible care to the people of Ontario.

Mrs McLeod: Minister, let's look at your government's record on health care. You set out to restructure hospitals to save \$800 million. Instead, you've created absolute chaos in the hospital system and your restructuring alone is costing \$2 billion more than it was expected to cost. You told hospitals to discharge people early to save money, but you failed to fund the home care to make that possible. Your surgery waiting lists are unacceptably long. You haven't been able to get primary care off the ground. Not one of your so-called reform initiatives has worked. Now your only answer for health care is more user fees for the sick and the elderly.

Minister, I'm going to give you a multiple-choice question: are you (a) completely incapable of managing health care, (b) deliberately setting up public health care

for failure so you can bring in your two-tiered health care, or (c) simply more concerned about corporate welfare than about people needing health care?

Hon Mr Clement: The correct response to the answer is (d): we will continue to care for Ontarians. We will continue to invest for Ontarians. We will continue to ensure that the health care system is sustainable, is accessible, is there for our seniors, is there for our children, is there for the adults. The correct answer is (d).

When it comes to the federal government's reply to that answer, their answer is (e): they don't care about our ODB. They don't care about our home care. They don't care about flu vaccinations. They don't fund a single red nickel of that. When it comes to health care from our federal government, the answer from Paul Martin is clear: he just doesn't care.

There's a game that goes around in the children's world, Where's Waldo? I say, where's Paulo?

The Speaker (Hon Gary Carr): It now being 4 o'clock, and pursuant to standing order 30(b), I am now required to call orders of the day.

Mr Dwight Duncan (Windsor-St Clair): On a point of order, Mr Speaker: I ask for unanimous consent for question period to continue.

The Speaker: Is there unanimous consent? I'm afraid I heard some noes.

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MINISTERS' STATEMENTS

Mr Dwight Duncan (Windsor-St Clair): On a point of order, Mr Speaker: As part of the presentation earlier this afternoon there were budget documents prepared and distributed in the gallery and elsewhere. None of the members of the opposition have been provided with those in their seats. We are informed that the government members were provided with them. I wonder if you could compel the government to share the documents.

Interjection: We haven't got them either.

Mr Duncan: Well, the government may want to share the budget documents with their backbenchers as well as members of the opposition.

The Speaker (Hon Gary Carr): For clarification, the government House leader.

Hon Janet Ecker (Minister of Education, Government House Leader): Mr Speaker, since this is not a budget, these documents were distributed according to the standard practice. House leaders, leaders and the appropriate folks on the opposition side did receive copies of these documents.

The Speaker: Just to be clear, under "Copies to Opposition,

"Two copies of each ministerial statement shall be delivered to the leaders of recognized opposition parties, or their representatives, at or before the time the statement is made in the House."

I believe they have complied with the standing orders.

GOVERNMENT MOTIONS

TIME ALLOCATION

Hon Chris Hodgson (Minister of Municipal Affairs and Housing): I move that pursuant to standing order 46 and notwithstanding any other standing order or special order of the House relating to Bill 111, An Act to revise the Municipal Act and to amend or repeal other Acts in relation to municipalities, when Bill 111 is next called as a government order, the Speaker shall put every question necessary to dispose of the second reading stage of the bill without further debate or amendment, and at such time, the bill shall be ordered referred to the standing committee on general government; and

That no deferral of the second reading vote pursuant to standing order 28(h) shall be permitted; and

That the committee shall be authorized to meet on Tuesday, November 13, 2001, in Windsor, on the morning of Monday, November 19, 2001, in Hamilton, on the morning and afternoon of Wednesday, November 21, 2001, in Toronto, and on Friday, November 23, 2001, in Ottawa, for the purpose of conducting public hearings.

That the committee meet on Wednesday, November 28, 2001, for clause-by-clause consideration of the bill.

That, on these dates, the standing committee on general government shall be authorized to meet outside of its regularly scheduled meeting times, but when meeting in Toronto, not during routine proceedings, and that the committee be authorized to meet on November 28, 2001, until completion of clause-by-clause consideration.

That pursuant to standing order 75(c), the Chair of the standing committee shall establish the deadline for the tabling of amendments or for filing them with the clerk of the committee;

That, at 4 pm on Wednesday, November 28, 2001, those amendments which have not been moved shall be deemed to have been moved, and the Chair of the committee shall interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all remaining sections of the bill, and any amendments thereto;

Any division required shall be deferred until all remaining questions have been put and taken in succession with one 20-minute waiting period allowed pursuant to standing order 127(a); and

That the committee shall report the bill to the House not later than the first sessional day that reports from committees may be received following the completion of clause-by-clause consideration, and not later than November 29, 2001.

In the event that the committee fails to report the bill on the date provided, the bill shall be deemed to have been passed by the committee and shall be deemed to be reported to and received by the House; and

That upon receiving the report of the standing committee on general government, the Speaker shall put the

question for adoption of the report forthwith, and at such time the bill shall be ordered for third reading; and

When the order for third reading is called, that 90 minutes of debate shall be allotted to the third reading stage of the bill, to be divided equally among all recognized parties, and at the end of that time, the Speaker shall interrupt the proceedings and shall put every question necessary to dispose of this stage of the bill without further debate or amendment; and

That the vote on third reading may, pursuant to standing order 28(h), be deferred until the next sessional day during the routine proceeding "Deferred Votes"; and

That, in the case of any division relating to any proceedings on the bill, the division bell shall be limited to five minutes.

The Acting Speaker (Mr Bert Johnson): Debate?

Hon Mr Hodgson: I'm pleased today to speak on this time allocation motion concerning Bill 111, the Municipal Act, 2001. As I said when I introduced the legislation, this has been a long time coming. The current legislation has its roots in the Baldwin Act of 1849. At that time, Upper Canada was still being settled and built. The Baldwin Act created municipalities as democratically elected bodies with the power to levy property taxes, mainly to fund the construction of infrastructure—roads and schools, for example—to serve a largely rural society.

Times have changed. Most of Ontario's people now live in urban communities, and the role of municipal government has gone through huge changes. The current situation is that whenever a municipal council wants to take on something new to respond to some local need, the municipal lawyers have to look through hundreds of pages of law to see if the authority is there. If the legislation doesn't say they can do something, they can't. The next step would be to come to this Legislature to ask for a change or an addition.

The result, after more than 150 years, is a body of legislation that is large and unwieldy. Parts of the current Municipal Act are redundant, referring to municipal duties that have long since disappeared into history. It is little wonder, then, that municipalities have for many years been asking for a comprehensive overhaul. They asked the Liberal government and they asked the NDP government. I'm pleased to say that this government has responded to their request.

In 1995, we made a commitment to bring forward a new Municipal Act. We promised an act that would be modern, streamlined and easy to use. We wanted to introduce an act that sets out areas of responsibility for municipalities but does not tell them in great detail exactly what they are permitted to do and how to do it. At the same time, we wanted to make sure to maintain the fine balance that has been established over the years among competing interests, a balance that gives municipalities the authority they need to meet local needs while ensuring a dynamic, barrier-free Ontario economy in which towns and cities can maintain their competitive position.

The introduction of a new Municipal Act followed years of consultation, including the release of draft legislation in 1998 and countless meetings with stakeholders and working groups. The government received over 300 submissions on the draft act from municipalities and major client associations, such as the Association of Municipalities of Ontario and the Association of Clerks and Treasurers of Ontario. The former parliamentary assistant to the Minister of Municipal Affairs and Housing, Ernie Hardeman, held 13 meetings with more than 20 stakeholder groups representing the municipal sector and the business community.

Technical working groups were established to study some of the key issues, such as licensing, user fees, corporations in debt, and investment. These groups included nearly 50 municipal and business representatives, and their work is not done, as they continue to help myself and our ministry on the wording of these regulations—not to mention that both myself and the former ministers held personal consultation sessions with broad representation from right across the province.

In August of this year, I announced that legislation would indeed be introduced in the fall session of the Legislature. I released the New Directions paper that set out in detail what the new act will contain.

The municipal sector and the business community have worked hard on putting this framework together, and they deserve our congratulations. They also deserve our respect by acting on their request to make this bill a reality. The government will be helping municipalities with the transition, including education and training on the new act, if passed. They have told us they need help with this, and we agreed. We certainly cannot expect to change the rules they live by and then not provide the education and training support. We simply need the time in 2002 to do this.

Let me go over the highlights of this new Municipal Act. If it is passed by the Legislature, it would give municipalities the tools they need to tackle the challenges of governing in the 21st century. A Toronto Star editorial said, "The new bill brings the legislation governing Ontario's municipalities into the 21st century."

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This legislation would allow municipalities to organize and deliver their services as they see fit, involving the private sector where appropriate, in keeping with local needs. It would give municipalities broad, flexible authority in 10 broad areas of jurisdiction. It would also give them natural person powers, to be used in areas in which they have authority to act. Those are the same powers a person has to conduct day-to-day business without the need for specific legislative authority. As well, this proposed legislation would maintain certain municipal government powers such as the authority to tax, to regulate or to license certain activities. The legislation proposes some limits on these general municipal powers. For example, a municipal bylaw would not be permitted if it conflicts with a provincial law.

Some matters are of significant provincial as well as local interests. They include the natural environment,

health and safety and nuisance. In these areas, the proposed act sets out municipal powers in more detail. Provisions governing these powers would be streamlined. This broader authority would be balanced by a substantial accountability framework.

Municipalities are already subjected to a great many accountability measures including, of course, elections every three years. The proposed legislation would add a few more. For example, licensing and user-fee processes would be made tighter and more transparent. Municipalities would be required to report to taxpayers on improvements in the efficiency and effectiveness of their service delivery. They would be required to pass bylaws setting out procurement and hiring procedures. These measures are already standard practice in many municipalities.

The proposed new act also includes measures to give municipalities more authority to make their communities safer. It would respond to municipal requests by enhancing municipal powers to deal with crack houses, adult entertainment parlours and other problem properties as public nuisances by allowing municipalities to pass bylaws on matters which, in the council's opinion, are or could be nuisances and ask the courts to close down these problem properties. Such a request would be made after giving notice to the Attorney General, and with the agreement of the police in order to avoid the possibility of jeopardizing an ongoing police investigation related to the property.

The proposed new Municipal Act would give municipalities authority to better manage raves and adult entertainment parlours by clarifying that municipalities can seek community views before making related licensing decisions. Community input could help them identify conditions to attach to a licence and determine whether conditions are being met.

The bill also helps municipalities deal with heavily fortified buildings used as clubhouses by motorcycle gangs or others by allowing municipalities to enact bylaws to address the excessive fortification of buildings.

The proposed Municipal Act would also contribute to smart growth by giving municipalities more authority to set up corporations and involve private sector partners in financing and undertaking public projects.

Bill 111 formally recognizes the importance of consultation between the province and municipalities on matters that directly affect them. This new Municipal Act, if approved by the Legislature, would become the cornerstone for a new, more mature, more productive relationship between Ontario's municipalities and the provincial government.

I talked a few minutes ago about the long consultation process leading up to the introduction of this act and the support we have received. Let me tell my colleagues about some of the reaction to the legislation when we introduced it on October 18.

The president of the Association of Municipalities of Ontario, Ann Mulvale, called the day of introduction an historic day for municipalities and predicted the proposed act would improve provincial-municipal relations.

Mississauga Mayor Hazel McCallion said, "Now municipalities have greater flexibility to make decisions regarding services directly relating to them with more latitude and self-determination than before."

Kenora Mayor Dave Canfield said, "The most important thing was the consultation with AMO," and that he's confident the consultation process means the best possible new act is being proposed.

The Ontario Chamber of Commerce said in a news release that Ontario businesses had been worried that municipalities would have greater access to user fees and licensing fees as a source of revenue. However, spokesperson Ron McNeill said in the release: "The new act strikes a balance on these issues. Today's announcement indicates that the minister is listening to the concerns raised by the business community."

The president of the Toronto Board of Trade, Elyse Allan, said in a news release, "The proposed legislation gives municipalities better tools to manage their responsibilities and at the same time enhances accountability for the taxpayer."

This legislation clearly has the support of the people who will be most affected by it. Everywhere I go, whether it is in urban or rural, northern or southern Ontario, municipal leaders tell me now is the time to act. It's a big step forward for Ontario municipalities and the people they serve. I believe they have waited long enough.

This act, if passed by the Legislature, will lead to better governance in our communities throughout Ontario, and it's got the support of the business community. It's a balance we worked hard to maintain before we brought this act into the Legislature. I encourage everyone to support this.

The Acting Speaker: Further debate?

Mr Bruce Crozier (Essex): Well, here we are, another day and another closure motion. Let there be no mistake: everyone should understand that all a closure motion is is a motion that will cut off democratic debate.

It's ironic and passing strange that, as the minister noted, after 160 years there was a promise made in 1995 to bring in a new Municipal Act. Well, four years passed after that. Then, I guess the promise to bring in the act continued, and another two years have passed. Now we're down to the point where we have about 35 minutes to discuss, or continue to discuss, a 320-page piece of legislation.

You know, some people might be frustrated by that, and on occasion I feel frustrated that we aren't given the opportunity of full debate, the opportunity to put our ideas forward in addition to those brought forward by the government, and an opportunity for our municipalities—who only received this bill, I believe, a week or so ago, if in fact they've received a copy of it at all—particularly in my riding, where my interest is, to respond to this bill.

During the minister's remarks, the word "accountability" was used a couple of times, as well as "trust municipalities." The minister wants to build trust with the municipalities. I only have to go back a little while ago to

when this government brought in legislation that even told municipalities what they could put on their assessment notices. Where's the trust when this minister and this government won't let a municipality design or print its own assessment notice? I'll tell you why: there are some things municipalities would like to inform their taxpayers about that this government doesn't want them to know. So I suggest that accountability and trust are not really foundations of this bill. But democracy is. Democracy means you have the opportunity, as a legislator, to express the feelings of your constituents. Part of that expression—for example, where the minister talks about spending wisely—would be to express my constituents' outrage at the way spending in the political side of the Premier's office has gone up some 113% in the last few years.

Accountability would be what my constituents have brought to me: that they're shocked to hear that this government, during its early years and so far in its governing life, borrowed some \$20 billion, \$10 billion of which was for tax cuts; and the way this government continues to give tax breaks to profitable corporations—in the near future, some \$2.5 billion. Think of how that money could be spent by municipalities on infrastructure in these tough economic times. But we heard today in the finance minister's economic statement, as he called it, that there is no additional spending for municipalities. In fact, the question was raised by my leader, Dalton McGuinty, that in the area of security an additional \$30 million was going to be spent, and yet we look at the Solicitor General operating expenditures that were tabled today, and there's only an increase of \$12 million. As a matter of fact, when the question was raised to the Minister of Finance, he couldn't whip his head around quickly enough to the Solicitor General to find out what the answer was.

I don't know where the trust is in this bill, in the economic statement that was made today or in some of the questionable spending that this government has managed to accomplish over the last few years.

1620

There's one thing I want to touch on too. It's constantly brought forward to us that the federal government should contribute more to our health care, and yet I think it was a former finance minister who complimented the federal government on balancing its budget. When the federal government this past year in fact did give Ontario an additional \$1.2 billion in transfers, what did this government do? It spent it on health care, all right, but it didn't add another nickel to it.

When you on one hand compliment a level of government for balancing their budget and then on the other hand say, "In these tough times, we think you should give us in the province of Ontario another \$2 billion and you should give provinces across this country an additional \$7 billion," it just doesn't add up, because federal government revenues are shrinking as well as the provincial government's are. If the federal government were to go into deficit, who would be the first one to

howl but the provincial government of Ontario? Or maybe they wouldn't howl. Maybe they'd say it's OK for the federal government to go into deficit, but the provincial government is not going to because we have to take \$2.5 billion and give it to already profitable corporations.

There isn't time to go into it today because, as I said, we only have 34 minutes in which to debate this closure motion. But I don't hear this provincial government speak an awful lot about tax points, about a method by which the provincial government gets money that formerly went to the federal government, that was agreed upon by the provinces, and this province in particular; tax points that give additional money—not a cash transfer, not a lump sum amount of money that can be budgeted each year, but tax points, additional money that certainly in good times this province would have benefited from to a great extent. We don't hear about that. I'm disappointed that on occasion we're accused of not telling the whole story, so I turn around and say to you that it's merely like the pot calling the kettle black.

We have to be fair to everybody and we have to explain where all our finances come from and we have to respect, I think, each other's ability to pay. As has been said time and time again in this Legislature, there is in fact only one taxpayer. In this time of economic downturn I think ahead, where municipalities and the social services they're responsible for are going to have a tough time. They're going to have a tough time just like the provincial government and the federal government are going to have, and yet there was nothing in today's economic statement that would assist these municipalities.

We are standing here today debating a motion that we've debated time and time again, and that is one to limit debate. I started at the outset saying how frustrating it can be and how some may feel on given days that, what the heck, you might as well give up; there's nothing we can do about it, the government has a majority and so be it. It is the undemocratic practices of this government that keep me coming back to this place. I will continue to fight the types of motions like that which is put before us today. Consequently I can't support it.

Mr Michael Prue (Beaches-East York): I rise too with some very real concerns about limiting this debate. We have present and extant a law that goes back 149 years. Some 149 years ago, before Confederation, in the Legislature of Upper Canada as it existed then, a bill was passed to regulate municipalities. The regulated municipalities were very small by today's standards, and there were very few of them. Now 149 years have passed with that same legislation, with some amendments. It has served the people of this province, sometimes well, sometimes not. It has lasted for 149 years.

In all that period of time, what have Canadians, Ontarians, Torontonians and people in other cities and towns seen? They've seen a whole world change. They've seen Confederation. They have seen Queen Victoria come and visit and people come from all around the world to visit

our country. They have seen the First World War, the Second World War and Korea. They have seen a man land on the moon. They have seen the Berlin Wall rise and fall. They have seen a whole history that has spanned not one, but two, three or four lifetimes of experience.

In all that period of time, we had a bill, a law that was extant that governed municipalities. Now we have a new law being proposed. It is—and I have said this before—better than the old law. It has gone from 1,100 pages down to 350. It is eminently more readable. But I do have some difficulties when we have a law that has existed for 149 years, a law that still continues to serve the people in the cities in this province, and suddenly a new one has come along to take its place and we are given but three weeks to make legislative changes to improve upon that bill.

On the last occasion I spoke about the bill—and I'd like to speak a little bit more. I'd like to focus in on what I think are some of the problems and what people need to address and would address if they were given the time, if they were given the opportunity, if they were given a location, if they were given some real power to persuade this government, to persuade the Legislature to make the necessary changes.

First, this bill proposes that the municipalities be given natural person power. We all agree that municipalities should have that kind of power: the power to litigate; the power to go to courts; the power to do what any one of us would be able to do within the legislative framework, within the jurisdiction of the courts; the power—which goes slightly beyond that—to tax. The problem is that what is proposed in this particular legislation is very narrow and restricted. The natural person power does not extend in all respects because of circumscribed sections of the act, does not extend and give the full range of natural person power.

I believe that if this went out to public debate and if municipalities, 447 of them, were allowed to speak, if people who worked in the municipalities or their unions were allowed to speak, if senior bureaucrats or the lawyers for the municipalities were allowed to speak, if social agencies that work within the municipalities or get funding from them were allowed to speak or even if other people who are even more marginal than that but who are concerned about the state of municipalities were allowed to speak, that the whole question of broadening the narrow, restricted jurisdiction of the natural person power would come into question, that the government might be able to see that there should not be as many restrictions on that natural person power as they have proposed in those 365 pages and that they might just make the necessary amendments that would improve the bill.

1630

Second, there is the whole question of the memorandum of understanding. The memorandum of understanding is very good. It's about time there was a memorandum of understanding between the provincial government and the municipal governments of this province. For too long there has been no formal recognition of

what they do, and they do a tremendous amount of good in this province. They regulate and run all of the municipal services that I think people come to take for granted, services like roads and sewers and libraries and police forces, services like transportation and TTC, all of the things that in a modern and post-industrial environment we come to look for and to need and to want. They regulate all of that. There has never been an understanding by this level of government, the provincial level of government, to the municipalities, and what this bill proposes is that there be such a memorandum of understanding. We agree with that.

The problem is this: next Tuesday we are going to ask the municipalities in Windsor, or those that will come to Windsor, to make comment on this proposal, and the following week, Monday, Wednesday and Friday, we will be asking people to make statements in Hamilton, Toronto and Ottawa. There are 447 municipalities in this province. Many of them are not clustered in or near those particular locations. It will be difficult for some of them, particularly those in the north, to come forward and speak about what is being proposed. It will be difficult for all of them to be consulted on what should be in this memorandum of understanding.

I have some considerable difficulty, as much as I admire some of the provisions of this bill, supporting a bill for which a memorandum of understanding has not yet been signed. When we push this that quickly, so that this entire matter comes back before the Legislature on November 28, we may come back without a memorandum of understanding being signed. I think you would forgive me and forgive all of the 447 municipalities of this province for being just a little bit skeptical, because after the bill is signed, there is very little negotiating room between those municipalities and the province as to what is contained in the memorandum of understanding. In fact, what happens is that all of the power and all of the leverage would go to the minister.

The third problem I have with rushing through this bill is that the ministerial regulations that are proposed in this bill are many and varied, there are a lot of them, and what they do is circumscribe the power that is given to the municipalities, I think quite freely and quite openly, in 10 levels of jurisdiction. It circumscribes and takes back that same power so that the minister at any time can regulate on his or her own say-so what the municipalities might do.

There are many people, many municipalities, many others, who would like to speak to the ministerial regulations and how they, in turn, should be minimized, because there are many spheres in which they cannot and should not be used. This is not being given an appropriate time, in the four days, to be talked about.

There's a whole discussion here about the reduction in the numbers of politicians which is contained within this act and the authority of the minister to reduce the numbers of politicians. I know some of my friends opposite might be interested in doing that; in fact, they were very successful in doing exactly that in places like

Ottawa, Haldimand-Norfolk, Hamilton, Toronto and Kingston. But, with respect, you are asking for the co-operation of the municipalities in putting forward this new Municipal Act, and you would pardon some of those same people in the 447 remaining municipalities for being just a little bit skeptical as to how this is going to happen in the future.

It sets out that the minister can, at any time, reduce the number of politicians, and this causes some very grave problems for some municipalities. I will use my own, the one I live in, the one we are situated in now, that of Toronto, which has been reduced from 57 to 44 and quite conceivably, under the authority granted in this act, unless there is something to circumscribe the minister's power, could be brought down to 22.

Just so the members opposite might understand that, that's the same number of politicians in Toronto at the municipal level as there are in this House representing Toronto, 22. If you think that's good for Toronto, and I would suggest it's not, think about your own municipalities, your own ridings where you come from. That means your riding of 100,000 or 110,000 people, wherever that might be, Guelph or North Bay or Oshawa, would have one politician from it, one municipal politician for the entire riding, for all the towns and cities in it. Would you allow such a thing to happen in your riding? Would you allow such a thing to happen in your municipalities in that riding? Yet this bill gives exactly that authority to the minister. The people of Toronto, having gone through a forced amalgamation and a downsizing, are very wary about giving the minister or the government that kind of prerogative to do so whenever they wish. I'm sure there will be many people who wish to speak to that issue. They will not have a chance if there are only four days of hearings.

You have the whole problem of the changing of the wards. In every municipality in Ontario, save and except those that were forcibly amalgamated against their will, those municipalities have the authority to change the ward boundaries within their existing communities. But in places like Toronto, they cannot do so. The Legislature here chose where those boundaries would be, and the only thing the municipality can do is choose how to carve it, presently, in half. The City of Toronto Act overrides the Municipal Act in this regard, so the people of the city of Toronto, if this passes, will be second-class citizens in this province forever. They will not have the authority to set their own municipal wards. They will forever have to set them based on what is good enough, I suppose, for the federal government and for the province, because we all have the same boundaries if you are lucky enough, or unlucky enough, as you see fit, to live in what is now the city of Toronto. It is simply not a fair circumstance.

What is good for Toronto, I would suggest, should be good for Guelph, North Bay, Oshawa or Windsor. But in fact the government opposite has never seen that this is right. I would suggest that the minister should have a very good look at restoring some semblance of local democracy to the city of Toronto on that. I'm sure there would be people who would like to speak to that.

There are other changes that people would need to speak to. One of them is changes to the tax-free allowance that some municipal councillors get; that is, one third being tax free. That's an old idea. This House saw fit to do away with that for its own members a number of years ago and simply pays people the equivalent of what the tax-free allowance would have been, to the tune now that most members make \$80,000 a year plus whatever other fees they get for added responsibilities.

In municipalities, they are going to be allowed to do the same thing, but they are not going to just have it legislated, which would make it easy for them to do; they are going to have to pass their own bills and then have people complain that the politicians are upping their salaries. I suggest that this is very unfair and that if the province is intent upon doing away with that archaic form of one third tax free, they should have the necessary resolve and put it in the legislation that the province will do so upon the request of the municipality.

The next problem I see with the bill, and which I think people would want to talk to if there were sufficient hearings and if there were sufficient time, is the repealing of the bylaws. Every municipality is going to have to review all of its bylaws before 2006. If they don't review the bylaws, the bylaws will then cease to be in effect.

In the city of Toronto alone, there are some 15,000 bylaws. Now, Toronto is a big place, and I guess has sufficient wherewithal, with lawyers and bureaucrats and other people, to review those within the next four years and a couple of months. But that's still an onerous and big task.

But what about the little municipalities of this province? What about the small towns? What about the Bancrofts? What about the little towns that I drive through, Kirkfield, the little towns in Minister Hodgson's riding? What about them? How many bylaws do they have, and where is the money and the expertise to help them review all of those bylaws to see whether they conform with this Municipal Act? There is nothing in here. I'm sure the good people of Kirkfield, Coboconk or Lindsay would want to have something to say to the minister about this if there was a hearing held in their area.

1640

We have the problem too of licence fees. The licence fees within this new act do not contain the provision which allows for licences to be withheld to benefit local small business. They are limited to the areas of health and safety, nuisance and consumer protection. "Consumer" is not defined, which is a problem in itself. The problem is, there's nothing there to limit it to help small businesses, and I give members opposite the example where they are used a great deal in many cities in this province: if someone were to open a restaurant and sell food, many of the cities would allow that you could not issue a licence to sell foodstuffs within a certain proximity of that restaurant. But what this may allow now is that a person will open up a restaurant, try to make a living, pay full taxes on the buildings to the municipality,

pay full taxes to the province, but someone could come along with a hotdog cart and park it in front and there is nothing any more that allows the municipalities to have a say on this. I think this needs to be debated. I'm sure the municipalities would want to talk about that if they had an opportunity and if there was a full debate.

There's the whole problem of municipal reorganization. I've dealt with this a little bit about Toronto so I'm not going to talk much more, but I'd like to go into some of the other things about municipal organization. Bill 26 will not be rescinded on December 31, 2002. This will cause some problems. It was supposed to rescind itself. It is being allowed to continue, to allow the minister to continue municipal reorganization with or without the approval of the municipalities involved.

What will also happen is this: where restructuring is requested, studied and proposed by the municipalities, it used to be that the minister "shall" approve their restructuring; now the law says that he "may" approve the restructuring. What that means is, it gives a great deal of power to the minister to simply say no and send everything back to the drawing board. After municipalities have sometimes spent years studying and agreeing among themselves how to restructure or to amalgamate themselves, the minister can simply say no because the minister has that prerogative with the verb "may."

We have the problems of public utilities commissions that still exist in the province. There are only a few that are elected now; most of them are appointed. But for those few that are still elected, the act says they "shall" all be appointed, which takes away another opportunity for ordinary people in municipalities to have a vote and a say on who runs something as vital to them as their electricity, their water and the other things that public utilities commissions—

Interjection.

Mr Prue: Yes. What it does is, it allows appointments and takes away the democratic right to choose people who will serve in their best interests and, conversely, to kick out those people who do not serve in their best interests. They get appointed people and they no longer have a say. We need to talk about that. There will be people who will want to talk about that if they are given an opportunity to do so.

There's the whole problem of municipal services boards and what they are really going to accomplish. Granted, many of them do very good jobs. Many of them do exceptional jobs in Toronto with things like the Toronto Transit Commission or Hydro, but there are those who are worried that to put everything into the hands of municipal services boards would be a precursor to privatization. They need to be heard on this issue. The government needs to assuage those fears. The government needs to very much circumscribe when and how they are established, what their authority is and whether or not in fact they can subsequently be sold off.

I want to give my friend here an opportunity to speak, so I'm going to wrap up here.

There are 447 municipalities in this province. The government has consulted broadly with the Association

of Municipalities of Ontario, called, in the vernacular, AMO. They've done a good job in that. They've also consulted widely with the business community, particularly the development community that builds new homes and factories, about what they need to make this better. They have done that. I would acknowledge to them that they don't need to go out and talk to AMO any more and they don't need to go out and talk with the development community any more. But who they have not talked to, and who they need to talk to, are the workers in the municipalities, on how this is going to affect their jobs and how they are going to be able to carry out their jobs with the changes that are contained.

They need to talk to the workers' unions, because I'm sure that some of them will be more than concerned about the possibilities of privatization, or the changes and how that will affect jobs within each one of the 447 municipalities.

They need to talk to the bureaucracies, particularly the big bureaucracies of the larger municipalities, about the expertise they have about this legislation and how it will impact.

They need to talk to the social agencies, those who deliver social services to mothers, to children, to the elderly and those who rely upon municipal authority and municipal monies to do it. They have not talked to those people.

They need to talk to those municipalities that are two-tiered. They need to talk one tier against another tier to determine how the Municipal Act will impact upon the relationships of those tiers, one to another.

Sometimes they need to talk to municipalities that do intermunicipal co-operation, where roads and sewers cross municipal boundaries that are not two-tiered and where the municipalities themselves have assisted each other in delivering service. They have not talked to those that deliver intermunicipal service.

This act does not come into force until the January 1, 2003. We have one year and two months to get it right. We don't have to do it all in three weeks. We have one year and two months to get it right and to make sure that this act would be able to withstand what the last one did—stand for 149 years.

Now, I would hope it wouldn't, because the earth is changing very rapidly and cities are probably the fastest-growing and most dynamic part of a rapidly changing environment on the face of the earth. I hope that 149 years would not have to pass, but given the snail's pace at which governments sometimes work, it is important to make sure that when we do it, we do it right.

There is no movement at all on the memorandum of understanding to date, absolutely none. At an absolute minimum—and I think I can speak for my caucus on this—we want to see the memorandum of understanding before this entire bill comes back for final reading before the House. The cities want to see the memorandum of understanding and the people want an opportunity to speak.

I implore the members opposite not to vote for this closure, not to try to ram everything into four days in

four isolated cities across the province, but to give all peoples, all groups, all of those who are interested, all municipalities—whether they belong to AMO or not—an opportunity to comment, to make the appropriate changes and, as Minister Hodgson has said, to make this bill even better than it is. It is a good bill. It could be great bill, but that rests with giving the people an opportunity to speak and being prepared to make the legislative changes that they suggest by way of improvement.

I think those would be my comments, and I thank the members opposite for not heckling even once.

The Acting Speaker: Further debate?

Mr Joseph N. Tascona (Barrie-Simcoe-Bradford):

I'm very pleased to join in the debate, and certainly it's time to move forward with the Municipal Act that is before us and the changes.

At the heart of the proposed Municipal Act is a new flexibility for municipalities, balanced with a strong accountability framework. I can say as a former alderman in the city of Barrie, from 1991 to 1995, that during that time frame we were looking for ways to get away from the municipal straitjacket that had been imposed on us by the provincial government at that time in terms of requirements that they were expecting us to follow through on and that were certainly not in our domain of what we should be responsible for. It was like a straitjacket in terms of trying to deal with the Municipal Act and the compiling of obligations that were put on it. That actually started under the Peterson government after 1987 and was complemented more so by the Bob Rae government during that period of time.

1650

Even during that period of time, when we were dealing with municipal issues, in 1991 or early 1992 actually, the city of Barrie and the town of Innisfil lost GO Transit out of a decision made by the NDP government. It has not been returned, though I'm working very hard to get it returned to the city of Barrie and the town of Innisfil, getting them back into the GO Transit system.

The framework with respect to this legislation includes several new accountability measures and many that are already in place in the current Municipal Act. I'd like to talk for a few minutes about the various types of powers the proposed new Municipal Act would give municipalities and how they would work together.

As the members may know, the current act is very prescriptive. The municipal powers are set out in detail. Municipalities cannot do anything that isn't specifically authorized in the legislation. There's a problem with that approach. It means that when municipalities want to do something new, something that hasn't been thought of before, municipal lawyers have to look through the huge body of legislation, and it is a huge body of legislation, that applies to municipalities. There are some sections in the legislation that have so many subsections that you go for many pages in terms of determining what a municipality can actually do. You would know that, Mr Speaker, as a former councillor and mayor. And it's not just the Municipal Act.

Municipal lawyers determine whether there's a clause somewhere that gives them the authority to do what they want to do. That's a very challenging process when you're dealing with municipal law. If not, they either don't do it or they come to the Legislature for an amendment to permit them to go ahead. That's not very efficient, nor does it encourage creativity on the part of municipalities. The proposed new act would change all that. The general spirit of the new act is that it would give them certain areas of responsibility and the general authority to deal with those areas of responsibility.

At the heart of the approach is the concept of natural person powers. Natural person powers are the powers an ordinary person has to do things. Many corporations also have those powers. These are the powers municipalities need to conduct day-to-day business in this challenging environment: the power to enter into agreements; the power to purchase and sell land and equipment; the power to hire employees and to delegate administrative responsibilities to committees, staff members or other bodies such as boards of management. Municipalities would only be able to use their natural person powers to carry out the duties assigned to them through the spheres of jurisdiction set out in this proposed act and through other legislation that affects them.

Those spheres of jurisdiction include highways, including parking and traffic on highways; transportation systems other than highways, and that means things like transit, ferries and airports; waste management, which includes collection, recycling, composting and disposal; public utilities such as sewage treatment facilities; culture, parks, recreation and heritage, and that takes care of things like arenas, parks, museums and art galleries; drainage and flood control, except storm sewers, and this would include things like floodways and the purchase of wetlands; structures, including signs and fences, and this would include things like requiring fences around swimming pools; parking, except on highways, and that means parking lots and parking garages; animals, including licensing pets, operating spaying clinics and regulating the keeping of exotic animals; and economic development services, including establishing industrial parks or promoting tourism.

Anyone who's listening to this debate on those particular areas of involvement of a municipality would say that they would expect that municipalities would have those powers. They would expect municipalities to be able to operate with flexibility to make sure that those things come into effect in the most efficient and accountable measure, because those things directly touch on people who live in municipalities and affect them every day. It's important for municipalities to have their public utilities operating, to be able to deal with their parks, to deal with their waste disposal, parking, animals—those things you hear about every day in a municipality.

Natural person powers would not give municipalities the authority to deliver services or get into businesses for which they do not otherwise have legislative authority. It is the intention of the government, in setting out these

natural person powers in areas of jurisdiction, that they should be interpreted broadly. This would give municipalities more flexibility to govern within these areas.

The government's intention is also that all existing municipal powers should be continued. The proposed new Municipal Act would provide, in addition to the natural person powers I've just mentioned, government powers—things like licensing, and regulating or prohibiting certain activities. Again, municipalities would be able to use these government powers only in order to act within the areas of jurisdiction authorized by this proposed act or in connection with duties assigned to them through other legislation.

The proposed Municipal Act would place some limits on these general powers. For example, municipal bylaws would not be permitted to conflict with provincial or federal statutes or regulations. That goes without saying. Bill 111 includes specific provisions to govern the acts of municipalities in certain areas, such as incorporating a corporation, making investments and borrowing or lending money. All municipal powers would also be subject to geographic restrictions. Municipalities would only be able to exercise their authority within their own geographic boundaries except where Bill 111 or other legislation authorizes them to do otherwise. They would be able to deliver services outside their boundaries under certain circumstances.

The general powers in the 10 areas of jurisdiction would be supplemented by specific powers. While the areas of jurisdiction relate to things that are primarily of local interest, there are other areas in which the provincial government also has a substantial interest. These include the natural environment, health, safety and nuisance. In these areas, municipal powers would be set out in detail in the proposed act, as they are in the current act. Provisions governing these powers would be streamlined.

A number of other specific powers would be set out in the proposed act. These include, for example, the power to require landowners to clear refuse and debris from their land, and powers with respect to the relationship between the local and county or regional levels of government in Ontario's two-tier county and regional systems. The proposed act would maintain the existing division of powers between upper- and lower-tier governments.

This is a brief outline of the framework of powers that would give municipalities the flexibility they need to deliver services efficiently and effectively.

Municipalities will have general powers—both natural person powers and government powers—to use when delivering services under the act, including the 10 spheres of jurisdiction set out in Bill 111. Also, they will have specific powers in areas in which the provincial government also has a significant interest. When balanced by the strong accountability framework set out in this act, these powers would help municipalities meet the challenges of governing in the 21st century. I think that's very important, because municipalities, the lowest level

of government in terms of the hierarchy, do affect the lives of the individuals who live in those municipalities on a day-to-day basis, and very significantly.

Then you also have municipalities and the areas around municipalities where individuals such as I live, in the city of Barrie, that have significant interests with those other areas. My riding also covers the town of Innisfil and the town of Bradford-West Gwillimbury, and certainly they have interests. The town of Bradford-West Gwillimbury is essentially a rural agricultural area, and to the same extent the town of Innisfil is also, and then the city of Barrie is essentially an urban area. To balance those interests off in the other communities in Simcoe county in terms of the rural nature and the agricultural nature, you need to have flexibility. You need to have those powers in place where the province has an interest and also where the municipalities have an interest in the fundamental issues that affect a community in terms of making it a good community to live in.

I say, get on with it. This is well-thought-out legislation.

1700

Mr Joseph Cordiano (York South-Weston): I'm very happy to enter this debate. What we need to deal with with respect to this is, first of all, to remember that this is the same government that through Bill 26 and other measures downloaded on to municipalities a whole host of new requirements and obligations, and did not provide municipalities with the necessary funding to meet their requirements.

Bill 111 is supposed to herald a new day of co-operation between the province and the municipalities. I say it falls far short of living up to that billing. This bill will not accomplish that goal. I don't blame municipal leaders across this province for having a great degree of skepticism when it comes to entrusting this government with any new-found co-operation. It simply brings to the fore the question about what this government's intentions really are. I'm going to go through some of the details to support that view.

We go back in time to when this government just decided on a whim to swap with municipalities—they say "swap," but in our view to download on to the municipalities—a huge number of obligations. We still believe it is fundamentally wrong for municipalities to carry the load when it comes to social programs such as social housing, for example. It was a huge mistake for this provincial government to download that obligation on to municipalities. Municipalities simply do not have the wherewithal to sustain social housing in our communities.

Under this act there are no new taxing powers for municipalities. They cannot raise additional revenues. That is not granted in this bill. So municipalities will continue to face enormous pressure to meet their obligations when it comes to social housing. It is estimated that repairs alone, with respect to the dilapidated housing stock we have in this province, will amount to something like \$11 billion. They simply will not have the ability to fund that requirement.

There are other services that have been downloaded on to the municipalities. Ambulance service, for example, has been downloaded on to municipalities.

In the city of Toronto they have enormous pressure to meet the demands that weigh heavily on a city the size of Toronto, which is a unique city in this country. We are home to many new people who come to Canada. We have approximately 100,000 new immigrants who come to this city, or the GTA in general, each and every year, and the burden for the municipality is growing.

This government does not acknowledge that fact in this new Municipal Act. When it talks about granting greater flexibility for municipalities to finance, there is no new ability for a municipality to issue tax-free municipal bonds, for example, to fund new infrastructure endeavours. That cannot be done by the municipalities. So again municipalities are limited. Sure, they can probably enter into some new contractual arrangements with the private sector, can enter into joint ventures with the private sector, but they cannot use tax-free municipal bonds to finance that. I think that is very limiting.

Again, I say there are no new powers for municipalities to raise revenues from new taxes. The municipalities are also limited in terms of establishing and creating new user fees. Isn't that ironic? This same provincial government is limiting municipalities from using user fees, but it imposed a huge number of user fees. There's a real double standard when it comes to dealing with municipalities.

Municipalities were treated like children up until this bill—that's the claim by this government. This bill may treat them like adolescents—maybe. It graduates them just a little, but it does not go far enough in treating them like adults. Municipalities want to have a greater degree of autonomy in making decisions that affect the citizens in municipalities right across this province, who are taxpayers, after all, and have to shoulder the burden of additional responsibilities that have been downloaded on them by this provincial government. The property tax base cannot sustain that. We have repeatedly told this government, and warned them, that in the future, municipalities will have greater difficulty in meeting those requirements simply by using the one revenue base they have, the property tax. That is not sufficient if you're going to give them these responsibilities.

Of course the government backtracked when it came to GO Transit. They've once again taken on the responsibility of GO Transit.

Mr James J. Bradley (St Catharines): Full retreat.

Mr Cordiano: It was a retreat. It was an acknowledgement that something as critical as GO Transit, which needs to be coordinated at a provincial level, must and can only be supported by the provincial government as well as the federal government. Of course the province is saying, "We need federal help." That is true, but this is a government that doesn't even give municipalities provincial help to deal with these problems. Having taken back GO, it is now the responsibility of the province. And what's the first thing they say? "We need federal assistance, and we need municipal assistance."

What we need is provincial leadership. We need leadership from the province. And I doubt very much that this government will see it that way. They will continue to suggest that the municipalities pay their fair share, that the federal government pay its fair share. Who knows what they'll do with federal money when they get it? They've decided to go ahead with a \$2.5-billion corporate tax cut. On the other hand, they complain that they're not receiving enough money from Ottawa for health care. Well, you can't have it both ways. Priorities have to be established.

Our priorities in this party are to ensure we have quality health care throughout the province and that we're educating our children properly. Those have to be the priorities, ahead of tax cuts for corporate citizens, for the corporate friends this government courts. It's simply misguided priorities that this government is following, particularly at this time when we are going through a slowing down of the economy.

The government should be investing in infrastructure right across this province. There should be provincial leadership on this front. We need additional infrastructure. These are key investments the government can make. By doing that, we have jobs being created, because the spinoff from the construction that results from infrastructure spending is tremendous. Yet this government sees fit to go ahead with a corporate tax cut, precisely at the wrong time.

Education should be a priority. We should be investing in education. It makes us far more competitive in the future to have in our economy a highly trained, highly educated workforce. This is not a government that has seen education as a spending priority, not on the post-secondary front and certainly not on the primary front.

1710

I would say to the government that when it comes to this Municipal Act, the first order of business should be to give municipalities greater authority. This government promised a memorandum of understanding to consult with municipalities before making policy changes, but that wasn't included in this bill. The government wants to pass this bill without the inclusion of that memorandum of understanding. That is an important part that's missing in this bill. The government should go further and acknowledge that municipalities are equal partners and have a very critical role to play in making decisions on behalf of the citizens of this province who are, after all, property taxpayers and pay those property taxes to municipalities. The municipalities should be granted powers that would allow them to raise new revenues to continue with the obligations they have been given. That is not the case in this bill, and it's a huge shortcoming.

Again, the government can't have it both ways. You have to set priorities. When it comes to municipalities, they cannot take on the burden of additional responsibilities and then not have the ability to fund those responsibilities properly. Therein lies the problem with Bill 111. It falls far short of what is required. I would say to the government that you have to go back to the drawing board.

These hearings that were going to be held I think are only over a four-day period. They're inadequate. There needs to be an opportunity for people to have a say. I'm not surprised that this government moves in the way that it does when it comes to allowing for public input. After all, they forced amalgamation on so many municipalities and forced downloading on municipalities, and so I shouldn't be surprised. I think this bill falls far short. Again, the government needs to go back to the drawing board.

Mr Rosario Marchese (Trinity-Spadina): It's good to have the opportunity to speak against this closure motion. As you heard, my colleague from Beaches-East York had a lot to say with respect to analyzing the bill. You noticed he needed a lot more time to debate all the aspects of this bill. We need more debate, not less. That's why we oppose any strangulation of debate, as you propose through this closure motion. There is a lot more to say on this bill. It is very thick. You notice, good Ontarians, that the member from Beaches-East York has a lot to say and is saying to you that we need more time for debate, and I hope to end with that comment.

I want to tell you my concerns, and I've got a couple. The most important thing that concerns me as a Torontonian, having been raised in this area for most of my life, is how Toronto gets treated. You understand, as the member from Beaches-East York mentioned, that every city and town in this province will be able to determine their own boundaries for their ward system, which seems logical and fair. We support that; not a problem. The only problem of inequity is that in Toronto we, the city, can't do that. I think it is not right. I believe it to be unfair that you would, for 454 communities, say, "You can determine your own boundaries, but in Toronto, you can't." There's no justice.

I'm sure the good citizens of Ontario understand that there is an inequity here and that they should not stand for it. If their community outside of Toronto were shut out in this way, they would be fighting it, as we are fighting it here. I was looking to the Conservative members from the Toronto area: members from Etobicoke Centre, Etobicoke-Lakeshore, Scarborough Centre, Scarborough East, Etobicoke North and Willowdale, all Conservative members from the Toronto area. Not one of them has stood up to speak, not from a written text but from their bellies, to say, "We're opposed to that, and we're going to make sure the minister corrects that." Not one of them has stood up to defend Toronto's inability to determine its own boundaries, its own ward system. Because, you understand, the City of Toronto Act overrides the current act that we're debating. Hamilton is included in that regard; Ottawa is included in that regard as well. They too cannot set their own wards.

Mr Raminder Gill (Bramalea-Gore-Malton-Springdale): Too many councillors.

Mr Marchese: It has nothing to do with whether there are too many or too few. That's a different matter, although you axed a whole lot of city councillors by a mere gesture of the hand, and you still wield that power

to be able to say to Toronto, "There are too many of you. We have decided that we're going to just chop a couple of bodies, because we really don't need them in Toronto." There are 2.3 million people governed by—how many?—44 city councillors, and 2.3 million people will not be able, through their representatives, to get a say as to how they set up their boundaries. It's dumb; it's wrong. I'm sure Mel Lastman is not going to like it. We haven't heard him speak to this issue yet, but I'm sure he will.

But I want to hear the Conservative members standing up in this chamber to defend the interests of their communities, and I haven't heard one member stand up and—first of all, you don't see them, and secondly, you don't hear from them. Where are they when you need them? Ontarians and Torontonians want to see their members stand up in this place to defend them. That, to me, is important, so I took a couple of minutes to speak about that, but there are a couple of other matters that concern me as well.

This bill gives the city of Toronto, the city of Ottawa, the city of Hamilton, any other city, no power to be able to prevent a developer friend of yours—and yours, government—from tearing down affordable rental buildings. They're given no power to prevent them from tearing them down. This is evidenced by so much of the tearing down of affordable rental housing. They tear it down and the city can't do anything. They take them to court, the developer wins and the poor city says, "We have no room for people." Rental accommodation is expensive, because all the developers are building are condominiums at the high end, and those people who are of modest means cannot find affordable rental housing that's decent. They can't find it. One single bedroom costs anywhere from \$900 to \$950 to \$1,000 to \$1,500 a month. They cannot find affordable accommodation in the city of Toronto. The vacancy rate in this city is 0.6, which means there is nothing to be found in the city of Toronto by anyone who's just earning a modest income. No power is given to the city of Toronto or any other city to prevent the demolition of affordable housing. That's a problem we need to address, because we've got a housing crisis and everyone in Ontario knows it except this government that's blinded by the grease that's given to them by those this government is helping.

Because, you see, this government gives a whole lot of money to those corporations and those high-income earners, and they love to give back to the Conservative members by way of political financing so they can run good, healthy campaigns. There is mutual benefit. This government helps the rich and they help them right back, and they do it well, Speaker. You know that. You both grease each other's wheels, at the expense of the Ontario taxpayer. Yes, you, who are so proud of giving so much back by way of a corporate tax cut, you, who say you've got no money, find \$2.5 billion of our money to give to the corporate sector. I'm just talking about that because cumulatively, you have given away so many billions of dollars to high-income earners in the corporate sector,

and you've given it away forever—not just as one-time kind of money; you've given it away forever. You'll never be able to recover it. As we're in the depth of the recession, you're now going to go back to your corporate buddies and say, "Please help us. We've got no money. We're going to need money." So all you can do as a government is whine about the fact that the federal government is not giving you enough money.

Speaker, it's pretty laughable because, sadly, you weren't here when your government was in the opposition right here where we stand.

1720

Mr Gary Carr, the Speaker of this assembly, used to rail against Bob Rae and the rest of us by saying, "Don't attack the federal government. This is your problem. You've got the limousine. You deal with it." I remember your boss, Mr Harris, saying the same thing to Bob Rae: "Stop whining." You understand, Speaker? I think you do. We were in the depth of a recession—in the depth of a recession. We had no money and the federal Conservative government and the federal Liberal government chopped the support to Ontario in ways that we have never seen. And here you had Harris and you had Gary Carr and you had Stockwell, the Minister of Labour, whining, crying about the fact that Bob Rae was not getting hold of the limousine and driving it. Instead, he was complaining about the federal government not giving them enough money.

And what do you have here? You have Mr Flaherty just crying like a little puppy and Mr Harris saying, "We won't be able to take care of our health care system because the federal government is just too mean to us." You've had the best economy in five years, with money rolling in, and yet you whine, day in and day out, that those poor federal Liberal people are not giving you the money. Well, they didn't give us the money in a recession. You've had more money than you've ever seen in the last five years, yet you never stop lamenting and crying about the fact that you don't have enough: "Woe is me. What's going to happen to our health care system?" What's going to happen is that they use the excuse that they're not getting enough money from the federal government to say, "What can you do if the hospital association says, 'We're going to have to charge user fees'? We've got no money from the federal Liberals, those bad guys. We're going to have to charge user fees. We're going to have to move in the direction of a two-tier system because we've got no money. That's what's so sad."

There is no power here, by the way, to help the cities with the download that you've shifted to them. You've downloaded housing to them. You've downloaded public health. You've downloaded ambulances. You had downloaded at one point GO Transit. The poor cities were broke. They have no money. They're not given any power to raise any revenues except to charge more user fees and fire people in order to deal with the fact that this government has not given them any help whatsoever.

They come here with their prepared texts, they read for 10 minutes, 20 minutes something that some min-

ister's official prepares and they don't feel anything about what they're reading. They come here saying, "Oh, how great these changes are." But as the member for Beaches-East York said, we need time. Ontarians need time to be able to, yes, let the Conservative members speak about what they like about this bill, but we need to hear from those others, from so many people who are concerned about the fact that the cities are broke and the cities don't have the resources to cope with the fact that this government has whacked them from one end of the room to the next. We need time to debate, Ontarians, and you should be calling for that and you should be urging your members to do that.

Speaker, my time is up.

The Acting Speaker: Further debate? The Chair recognizes the member for St Catharines.

Mr Bradley: Thank you, Mr Speaker, for the opportunity to speak. However, I do not like speaking on time allocation bills.

A time allocation bill, as people at home should know, is a bill which chokes off legitimate debate on a piece of legislation that the government has before us. This is something that used to be used only on the odd occasion, only in extreme circumstances, but this government consistently and almost normally now uses the choking off of debate, the framing of the debate by shortening it and confining it. That's lamentable. They have also changed the rules of this Legislature. I recognize that if you or I were to chat about this with people at home, their eyes might glaze over, because it's not of particular importance in a person's everyday life. But the rules of this House have been changed in such a way as to erode the individual influence and powers of elected members of this Legislature in favour of the unelected advisers to the Premier and the ministers, and perhaps some senior ministers who might be on the policies and priorities board of the cabinet.

This motion clears the decks for the government to proceed with this bill and proceed with its plan, which is to get out of session by December 13. A lot of people aren't aware that the House does not sit much of the year. In other words, the Ontario Legislature is not in session in January, February and March. Sometimes it comes back in March. I've seen it come back as late as May of the year. In the fall I've seen it come back in November, as opposed to the so-called normal parliamentary calendar of the third week of September. What that does is reduce the accountability that this government has. While it preaches accountability in the bill that is the subject of this time allocation motion, this government does not want to face the same accountability itself.

The bill does not deal specifically with the downloading of onerous and new responsibilities to municipalities. I was talking to a woman just a couple of days ago who was complaining about her municipal taxes, and indeed they were substantial. I had to explain to her that in recent years the Harris government, while it was busy giving away tax cuts at its level of government, was placing on municipalities onerous financial responsi-

bilities. I remember, when the transaction or the negotiations took place between the regional municipality of Niagara and the provincial government, there was a net new requirement of funds of some \$18 million. In other words, that's a net new requirement for the regional municipality of Niagara. How is that reflected? It's reflected in terms of user fees, but most prominently in terms of an increase in municipal taxes, and then the local government gets the blame.

Then we have people who trot out the old saw, "If only we had fewer politicians or if we had one big region, it would save some money." That theory has been discredited both by the C.D. Howe Institute, which is a pretty right-wing or small-c conservative organization, and by Dr Andrew Sancton, the author of *Merger Mania*, who has pointed out in his thorough study and his thorough research on this subject that in fact there are no savings. Often the one big region brings higher costs and you lose that local accountability.

But here we are in the midst of this particular motion before the House, the time allocation motion, on the same day as the provincial Treasurer, Jim Flaherty, on behalf of the government, is engaging in a so-called update of the financial situation in Ontario. Indeed, it has changed remarkably. I'm one who wants to be consistent with this government. I gave the government no credit for the financial boom in which we found ourselves over the past five or five and a half years. I contended that was because of the booming US economy and the overflow into our economy. So today I do not attribute the blame for the downturn in the economy in Ontario to the Ontario government, because I said they had nothing to do with the prosperity, nor did their policies. It was a remarkable booming economy as a result of the American policies under Bill Clinton as President and the United States Congress.

What I am critical of is the provincial government's reaction to this downturn. Instead of understanding that we must invest in education, health care, the environment and other areas, this government is going to go through a slashing process—slashing of budgets. Why is that? That's because the Ontario government of Premier Mike Harris and all the ministers has decided that it's going to give a \$2.2-billion tax gift to the corporations of this province, a corporate tax cut at a time when we will need those revenues for such things as health care and education. You will see the Premier in what we call a media scrum, a media interview, whining, as the member for Trinity-Spadina mentioned, for federal funding, when he's got all the funding he needs for the health care and education system and other responsibilities. If he's got \$2.2 billion to give away to the corporations, then he's made a choice to put the money there instead of into health care.

1730

I can understand the reluctance of the federal government to do anything other than provide direct funding for the purposes of such things as health care, because we've found that what happens is this government tends

to what I would refer to as squirrel away some money that comes from the federal issue. As we talk about this time allocation motion, which allows us the flexibility to speak on a number of subjects, I want to share with members of the House and the public an article written by Carol Goar, editorial page editor of the *Toronto Star*, on July 21, 2001: "The Games Government Play." This has nothing to do with ideology, I say. Listen carefully to the facts that are contained. Its says as follows:

"Suppose your parents wanted to help pay for your children's education. Knowing that you'd set up registered education savings plans, they offered to send you regular contributions to be deposited in each of their grandchildren's accounts.

"You accepted their money eagerly and put it in the kids' RESPs. But you quietly stopped contributing yourself.

"Your kids would be no better off than before. Your parents would be out of pocket. But you would save a bundle.

"That is exactly how the government of Ontario operates.

"It takes the money that Ottawa sends to Queen's Park for health care, post-secondary education, early childhood development and a variety of other shared-cost programs and uses it as intended (most of the time). But it cuts its own spending in that area.

"This is not illegal. It is not unconstitutional. It just isn't right.

"Let's look at a few examples:

"Four years ago, Prime Minister Jean Chrétien announced that Ottawa would set up a millennium scholarship fund to help 100,000 college and university students pay for their studies. The candidates would be chosen on the basis of financial need and merit.

"Last year, 35,000 Ontario students were awarded the \$3,000-a-year scholarships. But they barely had time to celebrate before the money was snatched away. The province cut recipients' financial assistance by an equivalent \$3,000. (Premier Harris later restored \$500 of their provincial aid.)" But \$2,500 was the amount the government took, put in its pocket to pay for tax cuts in this province and left the students holding the bag.

"Net result: The federal government spends \$105 million a year to make post-secondary education more affordable in Ontario. Students get \$17.5 million. The province pockets \$87.5 million.

Second, "Last fall, Canada's first ministers signed an early childhood development agreement. Ottawa pledged to hand over \$45 million a year to the provinces to improve child care and promote preschool learning.

"Ontario received its first instalment, worth \$15 million, this spring. It added the money to its Early Years challenge fund, a \$30-million pot of cash designed to help communities to set up innovative preschool programs. Then it withdrew \$15 million of provincial money.

"Net benefit to kids: Zero.

“Two years ago, Ottawa and the provinces launched the national child benefit, the first new social program in decades.

“Ottawa agreed to send a monthly payment to low-income parents across the country. For the working poor, this was new money. For welfare recipients, it merely replaced provincial social assistance.

“Under this new agreement, Ontario saved \$150 million”—for its tax cuts, I might add. “It was supposed to invest this money in new programs to reduce child poverty.

“Net improvement: Uncertain....

“Nine months ago, Ottawa and the provinces concluded a five-year health care accord, which increased federal funding by \$4.2 billion annually.

“Ontario’s first instalment, worth \$1.2 billion, was delivered this year. Shortly afterward, provincial finance minister Jim Flaherty announced that health spending in Ontario would go up by \$900 million. This week, health minister Tony Clement announced a further \$200 million. That adds up to a \$1.1-billion increase.

“Net impact: Health spending will get a boost this year, thanks to Ottawa. Queen’s Park is adding no money of its own and keeping \$100 million of the federal cash.”

What it’s all about, when you scrape it all away, is that this provincial government wants federal money so it can pay for its tax cuts, because the tax cuts are costing the revenues of this province over \$2.5 billion. That’s the truth.

The Acting Speaker: Further debate? The Chair recognizes the member for Scarborough Centre.

Mr Steve Gilchrist (Scarborough East): Scarborough East, actually.

The Acting Speaker: I’m sorry. Scarborough East.

Mr Gilchrist: The fine people of Scarborough East would not take exception to that, but would of course like to have recognized the fact that it is the vibrant heart of the city of Toronto and the greenest part of the city of Toronto.

The issue before us today, though, is something that is just a tad off what Mr Bradley was just talking about. We are actually here debating the updating of a statute that has not been fundamentally changed since 1849. Eighteen years before Confederation, Baldwin brought in the Municipal Act, and we have been tinkering, and other governments have been tinkering, with that for over 150 years. The result is a tome that is so thick, so unwieldy, so confusing that it is small wonder many municipal politicians, like Mr Prue, have decided to pack it in and come here, because how could anyone come to grips with the complexity of understanding the Municipal Act?

That’s something we’re here to solve. Having gone out and consulted to an unprecedented degree with municipal leaders across the province of Ontario and other stakeholders, we’ve been able to come up with an act that is far more responsive to today’s circumstances than the existing Municipal Act.

I’d just like to share with the House a few steps we followed in that consultation process. We committed to

updating this act back in 1995. In the fall of that year, an advisory group was chaired by the then parliamentary assistant to the Minister of Municipal Affairs and Housing, Ernie Hardeman. This group was comprised of a broad range of municipal stakeholders.

In March 1997, the province released a discussion paper on the proposed new Municipal Act. The response was generally positive, and stakeholders told us they wanted to see the entire draft act before it came to this Legislature. In fact the government did respond to that request by releasing a draft Municipal Act in February 1998.

The consultation process on that draft act involved two phases. First, there was a three-month public consultation phase. As part of that process, the draft legislation was sent out to every single municipality in Ontario, 130 First Nations and more than 70 stakeholder organizations. These organizations included municipal associations and professional and business groups across the province. The full draft act was also posted on the Ministry of Municipal Affairs and Housing Web site to enable the broadest possible public access.

We then moved into a stage where we organized five expert panels to review selected portions of the draft act. Panel membership included chief administrative officers of a broad range of municipalities, clerks and treasurers, engineers and solicitors. These panels discussed technical implementation issues relating to practices and procedures, waste management, roads, transportation and public utilities. In total, the government received approximately 320 submissions from municipalities and major client associations such as the Association of Municipalities of Ontario and the Association of Municipal Clerks and Treasurers of Ontario.

The second phase of the consultation process included meetings with those stakeholder groups. Again, Mr Hardeman held 13 meetings with more than 20 stakeholder groups representing the municipal sector and the business community. Business organizations also attended the meetings, including the Urban Development Institute, the Metro Toronto Board of Trade, the Ontario Chamber of Commerce, the Ontario Home Builders’ Association and the Canadian Federation of Independent Business—by far the largest group representing small business in this province and in this country.

The meetings with the business community also included the coalition of industries concerned with the impact of the new Municipal Act, as well as other business organizations. During this consultation phase, concerns were raised by both municipalities and the business community. Generally, the municipal sector believed the proposed act was too prescriptive and limiting, while the business sector had concerns that ran in exactly the opposite direction. As a result, the government—reasonably, I think—delayed introducing a new act until we could work out developing a new approach that would allay the concerns that had been brought to the table by both sides.

In March 2000, the former parliamentary assistant to the Minister of Municipal Affairs and Housing, Brian

Coburn, met informally with municipal and business sector representatives from all across Ontario.

1740

In August 2000, the minister committed to a last round of consultations on a new Municipal Act designed to resolve the key outstanding issues. During this round of consultation, the minister and ministry staff met with dozens and dozens of municipal and business representatives, and when Chris Hodgson became the Minister of Municipal Affairs and Housing, he guided the process through the final stages of consultation and negotiation.

As you can see, we have spared no effort, we have spared no expense, in making sure that this topic was thoroughly debated among all the stakeholders who will be affected by this bill's implementation.

We've had the technical working groups come back to us and give their advice on some of the key issues, such as licensing, user fees, corporations, debt and investment. These multi-stakeholder groups giving us this advice developed some important policies and principles and will continue to work to help develop the regulations that will be required to implement these portions of the proposed new act.

So finally, in August of this year, Minister Hodgson announced the legislation would indeed be introduced in the fall session. The minister released the New Directions paper that set out in detail what the new act will contain. On October 18, we honoured that commitment by tabling the new Municipal Act that we are dealing with here today.

We think that this act creates a far more workable balance between the needs of a municipality and the needs of the citizens the municipality is supposed to serve. It has been an extraordinarily complex undertaking, but at the same time it hopefully will resolve countless problems that have cropped up over the years, the decades, the century and a half, in terms of that relationship.

We were struck, for example, on the topic of licensing, by the very different positions taken by municipalities, large and small, all across Ontario. When you recognize that there are only a handful, less than a dozen, municipalities that even license taxicabs, you have to ask why the other 435 municipalities do not feel that this is an issue they should involve themselves in.

At the same time we have some pretty odious practices, where a provincial licensing body will say that an electrician, for example, is entitled to practise his or her craft; they have the designation master electrician. Oh, but then just because they live in Mississauga, if you want to do any work in Toronto, somebody at Toronto city hall gets to pass judgment, for a fee, on whether or not you should have that licence to do that work, perhaps only one job.

I am sure I represent the views of many of my colleagues, that this is antithetical to good business practices, it is antithetical to anyone who believes in competition as being the cornerstone of a successful economy. It is offensive to think that anybody at Toronto

city hall has the expertise—not to single out Toronto, of course—to judge whether or not that electrician, or any other trade you care to name, should be able or denied the chance to practise here in Toronto. But they do that.

I offer the suggestion that perhaps it is a cash cow in the minds of some municipalities. That's why this bill that we're talking about here today outlines in great detail that in the future any municipality that's inclined to look at licensing will have to do it on the basis of demonstrating the actual costs and doing a cost-benefit analysis, and the fee that is assessed can only represent the true costs that that study reveals.

At the other end of the spectrum, we have a great many municipalities that have even eliminated their development charges, that have streamlined the approvals process. So I think the Municipal Act we're bringing forward today has in it the flexibility not only to allow the municipalities to continue to demonstrate those best practices, but perhaps to encourage those that have been less than enthusiastic about eliminating barriers, eliminating user fees, eliminating licence fees, to follow the example not of this chamber—although that's certainly what we practise here—but of the hundreds of their municipal colleagues who undertake a similar direction when it comes to dealing with their businesses and their individuals.

So the act will give far greater flexibility and, perhaps most importantly, it's going to dramatically improve the abilities for municipalities to respond to unique circumstances, to respond to changing times, to respond to new technologies without having to come back to this Legislature and introduce a private bill. The time that is taken up, the red tape that is involved, is excessive and unnecessary today. This bill will deal with that.

Wearing my Red Tape Commission hat, let me tell you that we applaud, and that all my colleagues on the Red Tape Commission and my predecessor, Bob Wood, sitting here beside me, see as a major accomplishment in the Municipal Act the elimination of that red tape and, quite frankly, the very strong indication we are giving to municipalities that we trust them. We trust them to be the masters of their own destiny. We respect the fact that municipalities have a broad range of responsibilities that have been assigned to them by the province by various statutes. In the past, it has been too easy to use the complexity of the Municipal Act, to use historical precedents, to simply pass the buck back here to Queen's Park.

We've heard the very loud appeal by a broad range of municipal politicians all across this province that they want the respect, the trust, the authority, the ability to have the final say on the shape of their relationship with their businesses and the individuals who live in their community. This bill goes a long way to giving them that power. It's a double-edged sword, of course, because with that authority comes the responsibility, and they will be judged on how they implement these new powers and new freedoms. We obviously believe they are going to use those powers responsibly or we would not be offering them to them today.

They are going to be held accountable in four ways.

They are going to be accountable for the way their councils do business. The Municipal Act requires all meetings to be open to the public, except under very limited circumstances.

They are going to be required to have procedural bylaws in place to set out how council operates, the process by which the public can express their views to council—no more closed shops, no more decisions behind closed doors.

The proposed new Municipal Act would require municipalities to pass bylaws on their procurement procedures within two years. We've had some pretty offensive undertakings here in the city of Toronto. A very strong bias, for example, has been demonstrated to non-unionized businesses that they are not welcome in the city, that the city will take their taxes but won't take their services, won't take their goods. That's not right. The procurement practices are obviously going to be something that every citizen in each community will want to look at to ensure that there is fairness, equity and open access to everyone regardless of union affiliation.

Finally, the proposed new Municipal Act would require municipalities to pass bylaws with respect to the hiring of employees, including policies on the hiring of relatives of members of councils and local boards and relatives of current municipal employees. Not to belabour that point, obviously it's applying a similar standard to municipalities as the rules that apply to us here, and we think they are up to the task.

I'm certainly going to support the resolution. I want to see this bill move forward. I want to see it become law. I trust the municipalities to do the right thing.

The Acting Speaker: Earlier this afternoon Mr Hodgson moved government notice of motion number 72. Is it the pleasure of the House that the motion carry?

All those in favour say "aye."

All those opposed say "nay."

In my opinion, the ayes have it.

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

The division bells rang from 1749 to 1759.

The Acting Speaker: I'd like to draw the members' attention to the two clocks, one on either side, that tell

you when you're supposed to be in your seats, ready for the vote.

All those in favour will please rise one at a time and be recognized by the Clerk.

Ayes

Arnott, Ted	Harris, Michael D.	O'Toole, John
Baird, John R.	Hastings, John	Ouellette, Jerry J.
Barrett, Toby	Hodgson, Chris	Runciman, Robert W.
Beaubien, Marcel	Hudak, Tim	Sampson, Rob
Clark, Brad	Jackson, Cameron	Spina, Joseph
Clement, Tony	Johns, Helen	Sterling, Norman W.
Coburn, Brian	Kells, Morley	Stewart, R. Gary
Cunningham, Dianne	Klees, Frank	Tascona, Joseph N.
DeFaria, Carl	Marland, Margaret	Tilson, David
Dunlop, Garfield	Martiniuk, Gerry	Tsubouchi, David H.
Ecker, Janet	Maves, Bart	Turnbull, David
Galt, Doug	Miller, Norm	Wettlaufer, Wayne
Gilchrist, Steve	Munro, Julia	Wilson, Jim
Gill, Raminder	Murdoch, Bill	Witmer, Elizabeth
Guzzo, Garry J.	Mushinski, Marilyn	Wood, Bob
Hardeman, Ernie	Newman, Dan	Young, David

The Acting Speaker: All those opposed will please rise one at a time and be recognized by the Clerk.

Nays

Bartolucci, Rick	Dombrowsky, Leona	McMeekin, Ted
Bountrogianni, Marie	Duncan, Dwight	Parsons, Ernie
Boyer, Claudette	Gravelle, Michael	Patten, Richard
Bradley, James J.	Hampton, Howard	Peters, Steve
Bryant, Michael	Hoy, Pat	Phillips, Gerry
Christopherson, David	Kormos, Peter	Prue, Michael
Churley, Marilyn	Lalonde, Jean-Marc	Pupatello, Sandra
Colle, Mike	Levac, David	Ramsay, David
Conway, Sean G.	Marchese, Rosario	Ruprecht, Tony
Crozier, Bruce	Martel, Shelley	Sergio, Mario
Di Cocco, Caroline	Martin, Tony	Smitherman, George

Clerk of the House (Mr Claude L. DesRosiers): The ayes are 48; the nays are 33.

The Acting Speaker: I declare the motion carried.

It being three minutes and 31 seconds after 6, this House stands adjourned until 6:45.

The House adjourned at 1803.

Evening meeting reported in volume B.

**STANDING AND SELECT COMMITTEES OF THE LEGISLATIVE ASSEMBLY
COMITÉS PERMANENTS ET SPÉCIAUX DE L'ASSEMBLÉE LÉGISLATIVE**

Estimates / Budgets des dépenses

Chair / Président: Gerard Kennedy
Vice-Chair / Vice-Président: Alvin Curling
Gilles Bisson, Alvin Curling, Gerard Kennedy,
Frank Mazzilli, Norm Miller, John R. O'Toole,
Steve Peters, Wayne Wettlaufer
Clerk / Greffière: Susan Sourial

**Finance and economic affairs /
Finances et affaires économiques**

Chair / Président: Marcel Beaubien
Vice-Chair / Vice-Président: Doug Galt
Marcel Beaubien, David Christopherson,
Doug Galt, Ernie Hardeman, Monte Kwinter,
John O'Toole, Gerry Phillips, Joseph Spina
Clerk / Greffière: Susan Sourial

General government / Affaires gouvernementales

Chair / Président: Steve Gilchrist
Vice-Chair / Vice-Président: Norm Miller
Ted Chudleigh, Mike Colle, Garfield Dunlop,
Steve Gilchrist, Dave Levac, Norm Miller,
Michael Prue, Marilyn Mushinski
Clerk / Greffière: Anne Stokes

Government agencies / Organismes gouvernementaux

Chair / Président: James J. Bradley
Vice-Chair / Vice-Président: Michael Gravelle
James J. Bradley, Leona Dombrowsky, Michael Gravelle,
Bert Johnson, Tony Martin, Frank Mazzilli,
Jerry J. Ouellette, Bob Wood
Clerk / Greffière: Donna Bryce

Justice and Social Policy / Justice et affaires sociales

Chair / Présidente: Toby Barrett
Vice-Chair / Vice-Président: Carl DeFaria
Toby Barrett, Marcel Beaubien, Michael Bryant,
Carl DeFaria, Garry J. Guzzo, Peter Kormos,
Lyn McLeod, Tina R. Molinari
Clerk / Greffier: Tom Prins

Legislative Assembly / Assemblée législative

Chair / Présidente: Margaret Marland
Vice-Chair / Vice-Président: Julia Munro
Ted Arnott, Marilyn Churley, Caroline Di Cocco,
Jean-Marc Lalonde, Margaret Marland, Julia Munro,
Jerry J. Ouellette, Joseph N. Tascona
Clerk / Greffière: Donna Bryce

Public accounts / Comptes publics

Chair / Président: John Gerretsen
Vice-Chair / Vice-Président: Vacant
Bruce Crozier, John Gerretsen, Raminder Gill,
John Hastings, Shelley Martel, Bart Maves,
Julia Munro, Richard Patten
Clerk / Greffière: Tonia Grannum

**Regulations and private bills /
Règlements et projets de loi d'intérêt privé**

Chair / Président: Rosario Marchese
Vice-Chair / Vice-Président: Garfield Dunlop
Gilles Bisson, Claudette Boyer, Garfield Dunlop,
Raminder Gill, Pat Hoy, Morley Kells,
Rosario Marchese, Ted McMeekin, Bill Murdoch,
Wayne Wettlaufer
Clerk / Greffier: Douglas Arnott

**Alternative fuel sources /
Sources de carburants de remplacement**

Chair / Président: Doug Galt
Vice-Chair / Vice-Présidente: Marie Bountrogianni
Marie Bountrogianni, James J. Bradley, Marilyn Churley, Doug
Galt, Steve Gilchrist, John Hastings,
John R. O'Toole, Jerry J. Ouellette, Ernie Parsons
Clerk / Greffière: Tonia Grannum

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