



# Hansard Official Report of Debates

Legislative Assembly of Ontario

38th Parliament

**JOHN YAKABUSKI, M.P.P. - RENFREW-NIPISSING-PEMBROKE**

Legislative Debate

May 7, 2008

## **Budget Measures and Interim Appropriation Act, 2008 Bill 44**

**Mr. John Yakabuski:** It's a pleasure to join the debate this afternoon on Bill 44, the budget bill. I'm just going to touch briefly on what the member opposite from Peterborough said about the partisan hats and the downloading, and this and that. They always talk about the downloading, but they don't talk about the fact that the education costs were uploaded. They don't want to give any credit where credit is due. They don't want to talk about the study that was out last week where Ontario schools are doing better. What did they give credit to? The curriculum changes that were made by the Harris government in Ontario schools to bring up the standards. What has this government done since it's been elected? It's actually lowered those standards. It lowered those standards. We're going backwards again under this government in our education standards. They talk about the partisan hats, but believe me, they wear them better than anybody.

**Mrs. Carol Mitchell:** Oh, John, you're delusional.

**Mr. John Yakabuski:** That was an independent review, I say to the member for Huron-Bruce-not my opinion. They gave credit to those curriculum changes that were brought in by the previous government.

This economy is clearly in trouble, and this government either doesn't want to admit it or doesn't want to take any responsibility for it. Or it's a combination of both.

**Mr. Jean-Marc Lalonde:** What do you recommend, John?

**Mr. John Yakabuski:** Well, the member from-I don't know what it is. It used to be Glengarry-Prescott-Russell.

**Mr. Jean-Marc Lalonde:** Still is.

**Mr. John Yakabuski:** Well, the names have changed since the last election.

**Mr. Michael Prue:** Only to protect the innocent.

**Mr. John Yakabuski:** "Only to protect the innocent," my friend from Beaches-East York says.

The member from Glengarry-P rescott-Russell says, "What would you recommend?" It's a good question, because back in 2005 my colleague Ted Arnott-what is it, Waterloo-Wellington?

**Mr. Ted Arnott:** At that time Waterloo-Wellington; now Wellington-Halton Hills.

**Mr. John Yakabuski:** Wellington-Halton Hills now.

He actually brought a motion or a resolution to this House to put this government on notice, to ask them to convene a symposium to look at the competitiveness of our manufacturing sector in this province so that we could actually be ahead of the game. He knew enough to see it coming, but apparently those prognosticators on the other side did not see it coming. And they did nothing, absolutely nothing, with that resolution, which maybe-I'm not going to say that would have solved all of the problems, but just maybe, if they'd actually had a plan, if they'd actually had a strategy, we might have been better prepared for what is happening today in Ontario's economy.

On one hand, the Premier says, "Steel yourselves; this too shall pass," and on the other hand, he says, "There's more to come." You never know what you're going to get with Premier McGuinty. I think he intentionally wants to be somewhat enigmatic about it because he really doesn't want someone to be able to put a glove on him. So his messages change from day to day. He tries to deflect things, like he brings in legislation such as the-

**Mrs. Julia Munro:** Trans fats.

**Mr. John Yakabuski:** -trans fats, Bill 8, and the pesticide bill, Bill 64, and the upgrading of the cruelty-to-animals legislation, trying to deflect attention from what the real problems in Ontario are. You know, you get from one day-and stuff comes out of the blue. Stuff comes out of the blue, like over at the MaRS last week, just out of the blue, "We're getting a new car plant in Ontario." Well, you think they'd have convened a press conference or done something, have some big announcement: "We're getting a car plant." You would expect that if the Premier of the province is going to make a statement like that, he'd have some kind of evidence, something to back it up-nothing. No negotiations, no talks, no nothing; just, "Please get off my back. You're asking tough questions. I've got to throw something in: 'We're getting a new car plant.'"

**Mr. Ted Arnott:** He's going to make a side trip to Italy, though.

**Mr. John Yakabuski:** Oh, yes, he's going to make a side trip to Italy, he'll probably make one to China-although he didn't know about the virus going around in China, so now he may change his mind.

**Mr. Ted Arnott:** He doesn't have time to read the papers.

**Mr. John Yakabuski:** He wasn't able to read the papers, didn't know what was going on with the pesticide legislation. But somehow he came to the conclusion that we're getting a car plant in Ontario.

It's those kinds of statements where I think people really start to ask themselves, "Is he serious about the problems we're facing in the economy or is he just serious about protecting those 71 jobs on the other side of the House?" If he was serious, he wouldn't be so cavalier in making those kinds of announcements with nothing to back them up. Why would you say we're getting a car plant and have nothing at all to back it up?

The reason he was being questioned about that was that just a couple of days before, GM announced they were shutting down one shift at the car plant in Oshawa, sending about 800 or 900 workers on to the unemployment line. So you have to wonder about the auto strategy of this government. They pride themselves on bringing jobs to Ontario, but every time we turn around, we see that jobs are being lost in our auto sector, which is a key barometer of the health of our economy and which also determines the health of the economy to a large degree.

The other part of the economy that is a key barometer, and my friend from Beaches-East York touched on it, is the real estate market. That's showing some real signs of weakening in Toronto, that key large market, where housing sales are down in consecutive months and there's some real concern that that's a harbinger of things to come.

In the past few months we've had layoff after layoff. I think it must be over 200,000 jobs now since 2004, under this tax-and-spend regime, with no sign of relief to come because they don't have an economic plan. You'd think what we'd be debating in this House these days is an economic stimulus plan to actually do something about what's happening here. When the federal Minister of Finance cajoled this provincial government and tried to encourage them to bring in some kinds of tax relief measures, the Minister of Finance said, "We can't do that. The budget's already written." That was his comment. The budget was already written, yet in the budget they brought in the \$190-million capital tax reduction retroactive to 2007. We can't deal with tax reduction, he said, because the budget's written, but then they actually brought in that tax reduction. So who is being a little duplicitous here? If you've already written the budget, how did you come up with that tax reduction? You didn't want to have direct corporate tax cuts because that would have looked like you were taking your direction from the Minister of Finance in Ottawa, but you knew you had to do something to send some kind of message to the manufacturing sector in this province that you were actually paying some attention.

Unfortunately it's not enough, as we continue to see that jobs have bled. Just in the last couple of weeks: 500 jobs in Listowel, at the Campbell Soup plant, where for 48 years that plant's been in business producing food for Ontarians' tables, and now those people who worked there are going to be looking for scraps themselves because they're going to be out of work, and that's a shame here in the province of Ontario; 48 years, and Campbell's will be gone.

Some of the things that I think this government could be doing to help municipalities, particularly rural municipalities that they turned their back on last week, when I had my gas tax bill turned down by the Liberal government—they came in and voted. They were whipped in to vote. In fact, I can tell you there were members of the government side who supported that bill. No changes were made to the bill, by the way. They supported that bill on a previous second reading and it passed in this Legislature. It failed to get any further because the election was called and Parliament was dissolved. They supported it in the past, but last week, on Thursday, they either came in and voted against it or they absented themselves from the vote. In fact, there were members who came in for one of the votes and left for the other one because they didn't want to be on record as voting against the bill. In principle, I believe, they support it, but I guarantee you, the Premier's office made it clear to them, "Don't go in there and support that bill, or else." Of course, the cabinet wasn't going to support it. Backbenchers, if they ever want to have a chance of getting inside that cabinet room, better do as the Premier's office tells them. That's what happened to that gas tax bill. That would have addressed some of the things that municipalities are talking about.

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I'm looking forward to the municipal fiscal service delivery review that we're told is coming in June. I hope that's not delayed again, because it's been delayed much longer than it should have been. We are looking forward to that to see what kind of measures are taken to help municipalities in the province of Ontario, but I'm not going to hold my breath until that report gets here either, because I do believe that probably like everything else this government promises, it will be late if at all coming. But that gas tax bill would have addressed some of those concerns of municipalities that are looking for sustainability and predictability in respect to funding from the provincial government.

The other thing I want to talk about is another horse that the Premier gets on: "Do you know there's \$20 billion more being taken out of this province than is being put back into it by the federal government?" On the surface that argument may have some appeal, but let's drill down to the real details of that. If the Premier believes that's how it should be, that if Ontario puts X number of dollars into the federation, then it should get X number of dollars out, there's no need for a federal government whatsoever. The provinces should just collect all the money and keep it. But that money that he's talking about is not Ontario's money. It belongs to the people of Ontario. It's their taxes, their corporate taxes, not the government's. The government needs more money. The government is spending \$96 billion. It doesn't have a revenue problem; it's got a spending problem. It likes to spend money on all kinds of things that some people would find questionable and others

might even find objectionable. But that money belongs to the taxpayers of Ontario, both corporately and individually; it is not the province's. If you extrapolate that argument a little farther, then you would say, quite simply, if the tax is collected in Toronto or Windsor or Ottawa, then those people should just collect it. Or let's take it to the nth degree and say, "Everybody, just hang on to your money. There's no need for government." That's the kind of logic that the Premier is trying to put out there as being saleable when he talks about that \$20 billion. That is not the province of Ontario's money. In fact, if they got hold of it, they'd only spend it in some unworthy way; I'm quite certain of that. It is not the province of Ontario's money; it is the taxpayers' money. But he dropped that argument this week, probably because some economist told him that it doesn't really hold water.

Speaking of economists-and the member for Peterborough was talking about the lowering of taxes not being the only solution-Roger Martin, whom this government paid \$1 million to do a study, came back saying that what we need to do in order to increase revenue in the province of Ontario is reduce the general tax rates, because it's the general tax rates that are discouraging business from either staying in Ontario or establishing in Ontario. His position was that we would actually increase the amount of revenue from taxation by lowering those tax rates. But the McGuinty government doesn't see it that way. They like high tax rates. They like to make sure that they're getting their cut off the top. They don't want a strong economy to increase the amount of taxation and the amount of revenue that the province would see coming in. No, they want to get their cut off the top, so the best way for them to do it is to make sure the rates are high. In fact, they're the highest rates anywhere in Canada. They're hurting our economy by discouraging people from investing here.

In fact, in Alberta they've moved to eliminate the health tax, which is going to make that province even more attractive from the point of view of dollars being kept in the pockets of individuals and corporations. They're not going to be paying the tax either as an individual or a corporation, because Alberta has come to realize that they need to make sure that their people have more disposable income. That, in turn, will get invested into that province, and manufacturers will invest there.

I do believe my time is up, Mr. Speaker. So thank you very much, and we'll catch you another day.