

ISSN 1180-4386

Legislative Assembly of Ontario

Second Session, 37th Parliament

Official Report of Debates (Hansard)

Wednesday 13 June 2001

Standing committee on finance and economic affairs

Responsible Choices for Growth and Accountability Act (2001 Budget), 2001

Assemblée législative de l'Ontario

Deuxième session, 37e législature

Journal des débats (Hansard)

Mercredi 13 juin 2001

Comité permanent des finances et des affaires économiques

Loi de 2001 sur des choix réfléchis favorisant la croissance et la responsabilisation (budget de 2001)

Chair: Marcel Beaubien Clerk: Susan Sourial Président : Marcel Beaubien Greffière : Susan Sourial

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Hansard Reporting and Interpretation Services 3330 Whitney Block, 99 Wellesley St W Toronto ON M7A 1A2 Telephone 416-325-7400; fax 416-325-7430 Published by the Legislative Assembly of Ontario





Service du Journal des débats et d'interprétation 3330 Édifice Whitney ; 99, rue Wellesley ouest Toronto ON M7A 1A2 Téléphone, 416-325-7400 ; télécopieur, 416-325-7430

Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Wednesday 13 June 2001

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Mercredi 13 juin 2001

The committee met at 0900 in room 151.

RESPONSIBLE CHOICES FOR GROWTH AND ACCOUNTABILITY ACT (2001 BUDGET), 2001

LOI DE 2001 SUR DES CHOIX RÉFLÉCHIS FAVORISANT LA CROISSANCE ET LA RESPONSABILISATION (BUDGET DE 2001)

Consideration of Bill 45, An Act to implement measures contained in the 2001 Budget and to amend various statutes / Projet de loi 45, Loi mettant en oeuvre des mesures mentionnées dans le budget de 2001 et modifiant diverses lois.

The Chair (Mr Marcel Beaubien): Good morning, everyone. It is 9 o'clock and I would like to bring the committee to order. I don't have any issues dealing with anything in particular this morning, anything else that we need to raise. I think we've made arrangements for London. There will be a bus leaving at 7 o'clock in front of Queen's Park here Thursday night.

Mr Gerry Phillips (Scarborough-Agincourt): Mr Chair, have we got an answer back yet on how they arrived at the \$300 million? Mr Flaherty indicated he was going to look for his research on the reason they changed their minds. Have they given that to us yet?

Mr Doug Galt (Northumberland): I think it was in his office yesterday and it got mixed up.

Mr David Rampersad: We haven't had any information yet, but obviously I'll check with Larry Johnston.

The Chair: We'll follow up on that. **Mr Phillips:** Great. Thank you.

ONTARIO FEDERATION OF HOME AND SCHOOL ASSOCIATIONS

The Chair: Our first presenter this morning is the Ontario Federation of Home and School Associations. I would ask the presenters to come forward, please, and state your names for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Sue Robertson: My name is Sue Robertson. I'm the first vice-president of the Ontario Federation of Home and School Associations. With me today is Yvonne Milwain who is the Region E vice-president.

For over 85 years, members of the Ontario Federation of Home and School Associations have been committed supporters of public education in Ontario. We believe that our best chance to develop strong, healthy, well-educated, committed and responsible adults is through our publicly funded education system. We have been front-line volunteers in our schools and communities over the years and have advocated to all levels of government, to school boards and to provincial ministries for changes that will better meet the needs of children.

In the past we have worked closely with governments, administrators and educators, full partners in decision-making that affects Ontario's children. We continue to be part of committees at the school, the school board and the provincial level, bringing the voice of some 16,000 informed and active parents to the table.

We want this committee to know that OFHSA's members do not support any move to provide tax breaks to parents who choose to send their children to private schools.

Let us be clear, first of all, that we do not believe the debate here today is about the merits of public versus private schooling. As strong proponents of the public education system, we do not believe we need to convince the government, which is responsible, after all, for this public system, that it is a valuable institution. Neither is this a debate about parental choice. Parents in Ontario have long had the choice to send their children to any one of a large number of private institutions. We are not asking that this change.

OFHSA members believe that a tax credit for private school fees represents a dramatic shift in public policy. This government has made it abundantly clear in the past, on more than one occasion, that its focus is the public education system, not private schooling. In fact, both the Premier and the education minister are on record as saying that any public financial support for private schooling would have serious negative consequences for public education. What has changed since Minister Janet Ecker said that this government "continues to have no plans to provide funding to private schools or to parents of children who attend such schools"? What has changed since Premier Harris said that any voucher system

"would run directly counter to Ontario's long-standing commitment to public education"?

Offering a tax credit for private school fees contradicts the government's strongly stated position. We ask again, what has changed to make this a desirable move on the part of our government? Has there been some new research, some new evidence that such a move will help our public education system improve? Is there some document we can turn to that will help us understand such a reversal in position?

As early as last January, OFHSA members wrote to the Premier asking that he not even consider making such a change when the idea was brought forward by Mr Murdoch as a private member's bill. Our members have not heard any public debate that would explain the government's shift in position. We have not seen any press coverage, any research studies, any public outcry to support this change. Let us be very clear: we're talking now about public tax dollars, mine and everyone else's in the room, being used to support private schools.

Our members are very distressed to see this government use its majority vote to ram through a major change in public policy that we do not believe taxpayers support. Indeed the government cannot say that taxpayers support this move, since they haven't asked them. These short days of hearings have very little credibility as a province-wide consultation on what constitutes a major shift in policy. Hundreds of speakers have been denied the chance to speak to this committee, and hundreds more are disenfranchised because they live too far from the five centres where the hearings are being held.

OFHSA members believe that this clause, brought forward as it was as part of a much larger bill, represents a very poor model of governance. If the government was considering changing its very public position on this issue, it should have had the courage to hold public hearings and to gather input from a broad base of constituents before moving forward. A separate bill should have been introduced in the House to allow a thorough airing of this idea. Such a dramatic change should not be presented as just one clause, buried among hundreds of others in a tax bill. This is not a model of what good government should look like.

OFHSA members believe, as other taxpayers in Ontario do, that government should not use its authority to sneak through major changes in public policy without a full public hearing. We know the government is committed to passing this budget by the end of June. It is impossible for there to be full public hearings that can reach constituents across the province under such time constraints.

OFHSA has repeatedly called on the government to remove the clause dealing with the tax credit from the rest of Bill 45, and to send it to committee for extensive hearings and more careful consideration of the changes that will result. Many groups have come forward with concerns in regard to this change. The process of committee hearings allows sober consideration of all the

implications of such a move. This clause deserves such sober second thought.

Taxation in Ontario is designed to pay the costs of public services. Roads, hospital care and public education are some of these services. Taxpayers do not pay taxes to cover the cost of their own private use of these services. The costs of services are met through a general tax levy, and not tied to whether an individual taxpayer actually uses a particular service or not.

The government's offer of tax breaks to parents who pay private school fees flies in the face of this practice. The government states that this tax break is about fairness to parents who have to pay twice for education for their children. First of all, no parents are forced to opt out of the public system. Parents choose to pay fees to send their children to a different kind of school. That is certainly their right, but that choice in no way excuses them from their obligation to support the public education system through their taxes. No other taxpayers are excused from paying their fair share of the costs for education in Ontario. Taxpayers with no children or taxpayers whose children have graduated from schools are not given a tax reduction to make the system fairer.

Governments have an obligation to set tax rates and collect the taxes we need to run public services that can best be provided through one publicly supported system. All taxpayers are obligated to pay their share; this includes parents who send their children to private schools.

0910

OFHSA members believe that this move will damage our public education system. The Premier's and the government's support for this tax break says to everyone that our government believes that private alternatives to public education are a good and necessary thing. By providing tax breaks, the government is actively encouraging parents to opt out of the public system. They are working to make private education more affordable for parents in Ontario. What does such a move say about a government's commitment to a strong, well-supported public school system that can and will meet the needs of all students? Government should not be in the business of paying cash incentives to people to opt out of public schooling.

The government has also talked about the cost in tax dollars of allowing these tax credits. We have heard figures ranging anywhere from \$300 million to \$700 million. The Premier assures us that the money does not come out of the education budget but from general revenues. As the government has been quick to point out on numerous occasions, all tax money comes from the same pockets. If general tax revenues are down, then the funds available to pay for public education are also down. Even \$300 million could purchase for our students services that they require to be successful. More teachers and support workers could be hired, better transportation could be offered, solutions to extracurricular problems could be reached, new text books could be provided and

better training for staff could be implemented with these dollars.

School boards are currently funded through a per pupil allocation. Whenever a school board loses a student to private school, it also loses the grant allocation for that student. OFHSA members see at first hand many of the places in our schools where inadequate funds are undermining the work of our public schools. School boards are already struggling to meet the needs of students under the current funding model. Special education, transportation and supply budgets often cannot meet the needs of students currently enrolled. School boards cannot afford to lose even one dollar of funding.

The members of the Ontario Federation of Home and School Associations have been very active in opposing this tax credit. We believe that the government has no business encouraging taxpayers to opt out of a public education system that it is charged with protecting and improving. Instead of listening to the lobbying efforts of people who have chosen not to use the services we know are essential to the growth and development of all students in Ontario, the government should be looking at its obligations to make our public education system the best that it can be. The members of OFHSA would appreciate the opportunity to have the same influence over public policy that this lobby group apparently has. Please tell us how we can get the same attention to our concerns.

The Chair: Thank you very much. That leaves us two minutes per caucus. I'll start with the government side.

Mr Ernie Hardeman (Oxford): Thank you for your presentation. I want to first of all agree with you on the opening of your presentation of the government's commitment to the public education system. I can assure you, as for my children, those who have finished have gone through and those who haven't finished yet are still in. So I totally agree with you there.

One of the things, though, that has come out during the hearings thus far is that the folks who send their children to an independent school, for whatever reason and the ones who have presented so far have been primarily for religious reasons—do not believe that they get the type of education they want for their children in our public system. A lot of that relates to—and I've been around for quite a number of years—the way our education has changed over the years. Do you believe that all the needs of all the parents can be met in our present structure? You say that parents should have a right to send their children there but, regardless of how strongly they believe in the need for their children, they shouldn't get any help in making that happen because, if they can't afford it, then they should be forced to be like others.

Ms Robertson: The way I see the debate is that it's the government's responsibility to support public education, not to support alternative forms of education. In the Ontario Federation of Home and School Associations we support one publicly funded system of education that's open and accessible to all students—

Mr Hardeman: Not two?

Ms Robertson: Not two. One. Catholic schools are also publicly funded education system schools, right? We believe in one publicly funded system.

If parents believe—and it's certainly their right to make choices for their own children and the education that best meets their needs. They have every right to look for an alternative, but it isn't the government's place to fund those choices for those parents. If they believe that their students' needs can't be met in the public system, then they have choices open to them. But it isn't the job of government to support those choices.

It also is still the obligation of those people, like all taxpayers in Ontario, to support the cost of public education. It isn't just for people who have children in school. I don't pay my education taxes to educate my children; it's to educate all children in Ontario. That's the model of OFHSA: the best for each student, each and every one, is in the public system.

Mr Phillips: Just before my question, a piece of information. The government tabled some numbers yesterday that actually show spending on public education is going down \$75 million in this year, 2001-02. You've heard that it's supposed to be going up \$360 million. You should get a copy of this document that was filed yesterday.

Thank you for your thoughtful presentation. My question is this. The government prepared quite an extensive brief two years ago arguing against extending funding. I often quote from it because it reflects some of my concerns of extending it. One of the paragraphs says, " ... if public funding were provided for private schools established for the purpose of meeting specific religious needs, it is difficult to see why public funding would not also be provided to private schools established to provide other specific needs of language, or ethnicity, or culture. This would have an adverse effect on the viability of the public school system, which would become the system serving students not found admissible by any other system. The benefits which society now derives from a public school system would be reduced. Such potential fragmentation of the school system is an expensive and debilitating structure for society." Those are the words of the Harris government with their brief two years ago arguing against this.

Has the home and school association been made aware—and I know in your brief you indicated that perhaps you've been so far unable to find it—of the rationale for the government deciding to change its mind completely on this?

Ms Robertson: What I have seen and what I've heard are exactly what I've read in the paper. I've heard Mr Flaherty and the Premier quoted in the paper saying that this is about fairness for parents, that that's the reason they're moving forward with this. We don't believe that's the case.

Mr Rosario Marchese (Trinity-Spadina): Mr Flaherty came to this meeting the other day and said that he's been hearing from parents who want to have educa-

tion taught in their own religion and their own culture. That surprised me because, as you know, they got rid of the Anti-Racism Secretariat, the welcome houses; they're all gone. ESL has disappeared from citizenship. So it was an incredible kind of revelation to hear Mr Flaherty say that.

I think the best way to deal with our multicultural diversity is to look at what our public system is already doing. In Toronto we still teach international languages, which is teaching the languages and the cultures of the different communities. We do prayer readings that reflect the different religions of all of the over 100 cultures that we've got. We should also be teaching courses in comparative religions. Isn't that the best way to reflect our diversity, rather than saying that the way to do it is to make sure people have their own religion and their own culture taught separately and independently somewhere?

Ms Robertson: I hear what you say and I think that's exactly right, that it is the job of public education to meet the needs of all the students who come in the door. However, that doesn't say to me that parents don't still have the right, if they choose to, to choose an alternative education program for their children; just that governments shouldn't be supporting it with funds.

The Chair: We've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

0920

FRIENDS OF PUBLIC EDUCATION

The Chair: Our next presentation is from Friends of Public Education. I would ask the presenters to come forward and state your names for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr James Barrass: My name is James Barrass. I'm here today speaking on behalf of Friends of Public Education. With me to speak to you is Gordon Cressy. I'm going to take a couple of moments just to introduce who we are as a group, and then Mr Cressy is going to outline the proposal that we'd like to put to the committee this morning.

Before I begin, I'd just like to refer to the cover sheet of the document that we've given you. It's a little sweeping in its title, and I apologize for that. We are referring specifically not to the total bill but to the portion of the bill that deals with the tax credit. I just want to make that clarification for you right away.

Friends of Public Education is a grassroots organization that had its origins last fall in one of our school council meetings at North Toronto Collegiate, which is a high school in midtown Toronto. It was a regular monthly meeting and a number of parents were very concerned and expressed their concerns about issues that they were feeling with their children's education at the time. Out of that concern was born a group with the desire to have an influence on the course of the debate on public education and the management of public education

in the province. We raised funds and placed a couple of full-page newspaper advertisements in the fall and just encouraged people to express their concern and join us. We received close to 1,000 responses and were very surprised that a large number of those responses were from outside the city and across southern Ontario.

We established a Web site and received endorsements from school councils from a large number of schools across the province. We've engaged in discussion with various education groups and we had a meeting with Education Minister Ecker this winter where we made a proposal in terms of improving the flow of funding to the public education system. So our thrust has basically been to try to make a constructive contribution to the ongoing process here.

In terms of our composition, the committee that meets in our group, we are a non-partisan group. We have people in our group who are probably sympathetic to the different parties in the province. What unites us is obviously our concern for the public education system. Our belief is that it is one of the cornerstones of our province's civil society. We respect the great tradition of public education in this province. I think it's something that we have a huge pride in, and obviously we are concerned at the risks and the dangers that this social institution may crumble or weaken with political decisions that are taken today.

Our purpose in asking to appear before the committee today is to express our concern at the way apparently a very major decision is being taken. Here we are at the standing committee on finance, and obviously this is an issue that goes far beyond just the fiscal area. It's something that affects the fabric of society in the social area. So we are very nervous that there could be unintended consequences and that the haste of this particular initiative is going to make difficulties for this government and for the province in the time to come.

Our concern during the past year has been to work for greater funding for the public system, to rescind some of the cutbacks for boards such as Toronto, and to increase funding overall. I think our point here is to try to be constructive and work with you in your committee to see if there are some ways that we can improve a process that's being embarked on with part of this bill.

I'm going to just pass this over to Gordon.

Mr Gordon Cressy: Thank you, James. I've been around a long time. I've been vice-president of two major universities in the city. I've run the United Way. I've headed the Learning Partnership. I've chaired the Toronto board of education. I've had two children who went through the public system and I have two in the public system.

I start with a fundamental belief, stated by one of the major CEOs in this country, that the public school is the foundation of democracy in the neighbourhood, and if we diminish confidence in public education, we diminish ourselves. Simply stated, my view is that public policy on education funding should not come through the finance

ministry and it should not, assuredly, emerge without thoughtful and reasoned debate.

In the history of schooling in Ontario, the seminal work is by Cameron. Most of you don't know this, but let me share it with you. The original funding was for public education and separate. Separate was broader than just Catholic schools. There were a number of Protestant schools that were funded and, believe it or not, coloured schools were funded. It was in the legislation for almost 80 years until someone figured out that it should no longer be there.

My view is that rather than these hearings, we should defer this for one year. There is not money involved in 2001. Appoint a group of eminent persons beyond reproach who have the credibility in this province to come in with something that we would all concur with. Who would those names be? They'd be people like Bill Davis, who really did change education from a system of winners and losers to a system for everybody. If the middle class abandons public education, we wind up with a system for winners and losers, and that is not what public education should be about. They are people like Rob Prichard, the former president of the U of T, who returns to this city. They are people like our former Lieutenant Governor, Lincoln Alexander. They are people like Maureen Kempston Darkes, the president of General Motors, who has so defined herself on this issue.

They don't come with a particular bias, but when we are talking about as serious an issue as we are today, the idea is to pause, to put the best minds at work we can put and come back to all of us, because whatever the conclusion, if we try to do it in June, it will be divisive. We know that. It will be felt divisively. There are people who are strongly supporting this too, who will feel successful, but it will have divided us rather than united us.

So our position is quite simple: get the best minds to work on this issue. We've had a long history of public education. The government funded a portion of UTS for years. Most people don't know that, but they did. They quietly took that away. So if we're going to move down a new track, we can't do it in this format.

We have a position at The Friends of Public Education that unless we restore confidence in public education, we are in difficult times. So we come with a bias to it and we acknowledge that. However, what we do believe is that, in terms of process, the opportunity you have now is to do something that can build credibility whatever the decision would be.

I think a group of eminent persons—we saw how it worked in South Africa and we're mightily pleased that Nelson Mandela will be coming back to Canada this fall—is a way through this. It will present credibility for all sides of the House, and the government, in effect, could take the lead on it. So that's our position.

The Chair: Thank you very much. We have three minutes per caucus, and I'll start with the official opposition.

Mr Phillips: I thank the Friends of Public Education. I'd just say how much I appreciate the proposal, which I think is a good one.

I might add—I don't get a chance to do this often on the public record—I know Gordon Cressy well, and wherever he goes, he makes a long-term impact. I think the United Way in Toronto is a model organization, heavily because of what, in my opinion, you did, Gordon. The partnership program is a good example. You led that operation, and I think it's a terrific operation, and U of T. So I listen carefully to what you say because you do make a difference.

I think you also make a good point. The next group coming is the Jewish community which holds a strong view on this. I think you're very right that whatever way this goes, it will be very divisive.

Just in terms of your concerns about the impact of this if it were to proceed, what might the consequences be for public education, but I think more importantly, for Ontario's society?

0930

Mr Cressy: As I understand it now, 94% of the students in Ontario are in publicly funded schools. I'm one who supports independent and private schools. As a matter of fact, I will consider that for one of my children, although I never have until now.

If we move to 20% or 30%, as has happened in some other places, then I think we change fundamentally. It becomes a stampede. All of a sudden there is a feeling it doesn't work any more. We know that already occurs with the high-end private schools from cocktail chatter in this city. Toronto Life wrote an article about how people start to move.

I guess in this city particularly we should be a city that brings people together, and if groups leave—I'm one who grew up in north Toronto and, before I left for CUSO, I hadn't met anybody who wasn't white. That's a true story. I went to Lawrence Park Collegiate. At age 19, when I went on an airplane to Trinidad, I'd never met anybody in my whole life—going through school—who wasn't white. My children have a very different experience in public school and they are the better for it. If we start a trend line that says "Let's go," I think we are on a slippery slope that is divisive, divisive.

The Chair: Mr Marchese.

Mr Marchese: I thank you both for your presentation. I'm not sure you will be successful with your suggestion of having this government defer this issue, and while two polls have been done already to show that they're moving in the right direction, the majority of people oppose this. I'm not quite sure that they're listening to them either. Much of their politics is about division. That's what I've been seeing over the last six years. I hope you're right and I hope they will defer this issue and possibly have a different kind of debate, because I think it would better.

What they've been saying so far is that we should trust parents to make the choice they want. If that choice includes religious education or private, non-denominational education—and by the way, nobody has come from that sector—that should be a choice parents make and they're willing to fund it. That's what they're saying.

They're also saying there will not be a stampede. "You people are fearmongering," is what they're saying to us and presumably they're saying that to you. "There will not be a stampede, because other provinces show that people haven't flocked to the other systems. So trust parents to make the choice for themselves, and don't worry; public funds will continue to flow and nobody will stampede to the other system." What do you think?

Mr Cressy: I've spent most of my life as a fundraiser. That's what I do. We know that tax incentives work for raising money. We fundamentally know that. It works in big universities; it works in the United Way. When tax policy changed as an incentive for giving, donations went up significantly. When we changed tax policy on giving of shares, donations went up significantly. It's a simple fact. It does flow from that.

I have, though, more confidence in the government that the idea of eminent persons will give a better, more thoughtful, reasoned discussion. I think there are names that have come out of the Conservative Party over the years who have a history in education that is extraordinary, and some of those names I think would well have interest. I chatted with David Crombie yesterday about this issue and I think that could happen. We don't really know the judgment of whether it flows or not, but my expectation is that it will start.

The Chair: You've got one minute left, Mr Marchese. Mr Marchese: It's good for you to have that confidence. We hope that the government, of course, is listening. We haven't had that experience. That's why I'm sometimes pessimistic on this side.

The tax credit to us is a new experience. This is a tax credit that is bigger than a voucher that says, "Here's \$2,000." A tax credit means more than that when you do your income taxes—I think Hardeman is squinting and not understanding it; I don't know what he's saying—but it's bigger, and the implications of it are wider. I think you're quite right that more and more people will take advantage of it.

The polling done by OSSTF suggests that 15% of the public is willing to consider or is going to consider taking that up. If 15% of the population takes it on, we've got to close to, who knows, \$1 billion, \$2 billion out of the system. Even if half take their money, take that option up, it's still a big problem. I think you already spoke to that and I'm not sure if you can speak to the percentage.

The Chair: Thank you, Mr Marchese. We've run out of time.

Mr Galt: Thank you for your presentation. It's very thoughtful. Congratulations on the organization that you've put together. Your presentation is certainly very genuine and very responsible and I very much appreciate that

I also appreciate the suggestion you've come forward with: something to move on rather than not to do. You're suggesting some people who could sit on a commission and I certainly respect that.

You talked earlier also about education costs and flowing the dollars. One of the things I was running into when I was on a school board in the 1970s through the 1980s up until we came into office, and it was almost to riot levels in my community, was the cost of education on the property taxes. When I sat on municipal council as reeve and warden, people were getting very vicious over the spiralling education taxes on their property. It's something we have turned around.

I guess I'm coming around to the concern that you've been expressing. I'm just giving that background, the taxes, because that was the big issue out there and our government's been trying to sort some of that out. It's arguable, you know, whether there's enough money. We're hearing it.

The concern you have is this great flow that may move over. That, to my understanding, hasn't been the experience in other provinces. I think I heard you say in some jurisdictions it's been like 30% or 33%, or 35%—one of those figures you used.

Could you relate or tell us what jurisdictions those are? Is it Canada? Is it the US? Is it someplace else in the world?

Mr Cressy: Two things: I too not only sat on the school board but sat on city council, and when I was on the school board it was one debate and when I was on city council it was another debate. So I acknowledge your point quite well. I'm not referring to Canada. I am referring to some parts of the States where transfer out of public education, particularly in California, has moved quite extensively, not so much out of tax credit but just because of disenchantment with the public system.

I'm coming first with the principle of restoring confidence to publicly funded education. That, to me, is a crucial thing to happen. The dilemma with this at this point in time: there is a feeling that the two are connected. I know that your government has said the two are not connected, but there is a feeling that they are. What I'm trying to do is get to the disconnect of those two so that you can have this debate on its own as distinct from education funding, which is another debate, and I acknowledge that.

I guess part of what went through my head is having seen the idea of eminent persons succeed in certain settings in a way that it brings down a kind of credibility to it when it comes, and it becomes non-partisan, and I think we have some wonderful minds in this province that could be part of the solution rather than something that helps some people at the perceived sense of disadvantaging others. So that's the dilemma you face, in effect.

The Chair: With that, we've run out of time. Gentlemen, on behalf of the committee, thank you very much for your presentation this morning.

0940

CANADIAN JEWISH CONGRESS, ONTARIO REGION

The Chair: Our next presentation this morning is from the Canadian Jewish Congress, Ontario region. I would ask the presenters to come forward, please, and state your name for the record. On behalf of the committee, welcome.

Mr Ed Morgan: Thank you, Mr Chair, honourable members. My name is Ed Morgan. I am the Ontario region's chair for the Canadian Jewish Congress. With me are Bernie Farber, our executive director, and Simon Rosenblum, our director of public policy.

We have handed out the written submission and I'm not going to read it verbatim. I want to save time for questions, obviously, so I'm going to give you a condensed version.

The Canadian Jewish Congress is described in an appendix to the written submission we've given you here. It is, in short, the foremost advocacy group for the Canadian Jewish community across the country and in Ontario. We are an umbrella organization whose constituent organizations are virtually every Jewish organization, institution, synagogue and, in particular, Jewish day school, in this province. We've been at this for a long time. We've been at the issue of independent school funding for a long time. You can read our history on this issue also in our submission in the first paragraph or two.

I'll start by saying that we fully support the proposal by Finance Minister Flaherty that parents who send their children to independent schools will be given a phased-in tax credit of up to \$3,500 per child per year. There are many in our community of course who would have preferred a fully implemented tax credit beginning in 2002, but we appreciate that at its maturity in 2006, this measure will relieve a significant part of the cost borne by independent school parents.

In our view, the government has not only moved to remedy an outstanding inequity in education, but it has affirmed principles of cultural protection and choice that are fundamental to a liberal society such as ours. It has proved that our mandate to protect multiculturalism is not, as a colleague of mine at the other Toronto law school has said, a rhetorical flourish rather than an operative principle.

What the government has done is to put our foundational principles at the forefront of policy. In doing that, I would say they have taken seriously the admonishment contained in the 1979 report done for the United Nations General Assembly, which accurately said that because of the enormous costs involved in cultural development—I'm quoting here—"the right granted to members of minority groups to enjoy their own culture would lose much of its meaning if no assistance from the government concerned was forthcoming." It's simply not enough to pay lip service to principles like multi-

culturalism. We have to be ready and willing to pay dollars, to put our money where our words are.

The new budgetary policy seeks to revive what I believe is the true meaning of what were referred to at Confederation as the dissentient schools. The original idea of publicly supported Roman Catholic schooling was to ensure funding for those who dissent from the educational mainstream of the public schools. In this, the founders of our country seem to have grasped a concept that would take academics in the social sciences and humanities another century to come to grips with, and that is, that curriculum design is a profoundly value-laden and ideological choice, an ideological exercise.

The public schools, in our view, have to be commended. We do not set up Jewish schools as a criticism of public schools. The public schools have to be commended in particular and fully supported for providing curriculum that reflects the values of a broad sector of Ontario society. But the values and skills imparted in the public schools are not necessarily right for every child and for every family. Some want whole language; others want phonics. Some want ancient Hebrew and immersion in ancient Hebrew text; others want ancient Sanskrit. There no right or wrong here in education choice. In supplementing public education with support for approaches that differ philosophically, that differ theologically or pedagogically from the mainstream, the government has truly brought into the 21st century the 1867 notion of dissenting schools. Our educational value system, like Ontario society itself, is not monolithic; it has to be open to alternatives and choice.

We know that policy innovation like this often comes with initial criticism, initial opposition, and in the three weeks or so that have passed since the Ontario budget was announced, opposition groups have mustered a series of arguments designed to preserve the status quo by instilling a fear of change. During the first week, we were met with the cries of financial ruin for the public schools, ignoring the fact that this partial tax relief for independent school families will not come out of the education budget, as the finance minister has promised, and that in any case, it represents a very small portion of the overall education budget.

The accusation was also made that there is something sinister about the way the Ontario government proposes to provide this money. In the western provinces and Quebec, governments pay dollars directly to the school, while in Ontario the government proposes putting money directly in the parents' pockets through the means of a tax credit. Economically, however, these are two sides of the same coin. In one situation the school gets the money and can thereby reduce the tuition, while in the other situation the parent gets the money directly to offset up to 50% of the tuition costs. To suggest somehow that the use of tax credits instead of cash payments to the schools is to be in some way bribing the parents to send their children to private schools, as some of the critics have suggested, simply is not tenable.

During the second week after the new tax credits were announced, we were met with accusations that social intolerance could be taught at religiously based schools. In my view this ignores the fact, first of all, that these schools have been in existence for many years with no sign of these evils that have been attributed to them and, in addition to that, that Ontario has 150 years' experience with publicly financed Catholic schools, which have produced perfectly productive and perfectly healthy Ontario citizens who are fully tolerant of other traditions. We are no different and we will be no different.

Finally, during the third week since the tax credits were announced, we've been met with the plea that they benefit the rich, ignoring the fact that they are designed, first and foremost, to provide relief to middle-class families with children in schools like Jewish day schools, that is, community schools whose tuition levels run at roughly the public school cost of \$7,000 per student. No one will move to a \$15,000-per-year elite school because of a \$3,500 tax credit.

The assortment of our position arguments—I would stress this—must not be permitted to deter the path of legislative innovation. The experience in the other five provinces that provide this kind of funding has demonstrated that no mass exodus out of the public school system will occur and no serious fragmentation will occur.

One only has to look at British Columbia for a relevant comparison. Some 10% of its children are in independent schools and it has not been going up. I would say that Vancouver is as multicultural a city and quite comparable to Toronto, and there is nothing to suggest that Ontario's experience will in any way differ from British Columbia's. Ontario presently has roughly 5% of its students attending independent schools. One could predict a gradual shift upward toward the British Columbia level of 10% over some period of time, although I would note that in British Columbia the figures for independent schools also include Catholic schools, which are not part of the public system in that province.

In all, legislation designed to foster innovative approaches to education and to resolve existing inequities simply cannot be permitted to wither on the vine out of unsubstantiated but often repeated fears.

On that note, I'm going to end by commending to everyone in this panel the report of the Shapiro commission of October 1985. We've just heard a plea for more study of this issue. Well, we know that the Bill Davis government in 1984 put a royal commission on this topic and that it reported in 1985. I read this again—it looks intimidating but in fact when you get rid of the appendices, it's only about 45 or 50 pages—last night.

It's a remarkable study, and one thing that's remarkable about it is that all of the opposition arguments to independent school funding were put before the Shapiro commission: that the cost of funding independent schools would be too dangerous and too heavy for public education, that social fragmentation and intolerance might occur if independent schools are funded, and that they

only benefit the rich. All of these series of arguments were put before the Shapiro commission. In a very intelligent and sensitive way, the commission analyzed these, considered these, sifted through them and ultimately dismissed them, recommending funding for independent schools.

If you read this and you have any sense of irony and humour, like I do, you will be somewhat tickled by the fact that we even had the same players voicing the opposition arguments. So we had in fact the Ontario Secondary School Teachers' Federation and the Ontario Public School Trustees' Association all making exactly the same arguments you have heard in the past few weeks. Indeed, the arguments at the time were, "The time isn't right. After so many years of damage to the public system, it's time for us to fix the public system before we look at the independent schools." Those were exactly the arguments made, and we know what happened. Subsequent to this, we had the David Peterson government, we had the Bob Rae government, and the time never came. All those governments came and passed, but the time for independent schools never came. So when you read this, as I recommend you do, you will see that all of the opposition arguments are a new packaging. They are literally new cartons for the same old spoiled milk that we heard 15 years ago.

I'm going to finish with one quote, if I may, from the Shapiro commission report. I think it sums it all up for us. Shapiro said in his conclusion: "The commission believes that the argument against the status quo is a very strong one. The constitutional provisions"—which we often heard discussed in our discourse today—"that are usually advanced to justify the special status of Catholic schools serve only to describe the history. They do nothing to inform us about what we ought to do. In terms of this moral choice, it seems inappropriate for Ontario to continue to offer to its Roman Catholic community an educational option not offered to other communities as well."

I dare say that everybody in this room who has thought sensitively about Ontario education policy knows that is true. The status quo is simply not a moral option for Ontario.

0950

The Chair: We have approximately three minutes per caucus

Mr Marchese: Professor Morgan and other friends that I know on this panel, I just want to say that I respect the work that the Canadian Jewish Congress does, but on this issue we disagree. I just want to say that so that it's clear. I don't really have any questions other than to say that New Democrats do not support private schools and we don't believe public dollars should go to private schools. We've held that view for a long time; I continue to hold it. There's a difference of opinion.

The teaching of international languages is something I promoted as a New Democrat on the Toronto Board of Education, while others have fought it for years. I think it reflects different cultures through language. It's not

adequate for some; I know that. I love the fact that at the Toronto board we have different religious readings that reflect the different cultures. I know it's not enough for some people but for me it's a wonderful expression of showing our diversity and reflecting it. Native studies are taught there and Black heritage is taught. I really believe that the teaching of different religions is something we ought to be doing. I know it's not enough for you, but for me it does reflect the diversity of our country in a way that is good for society and good for me as a New Democrat.

I appreciate what you're saying. Obviously the government has listened to you. Hardeman is smiling. We as New Democrats don't support it and that's the position we've taken. I know they are not reconcilable.

Mr Morgan: Let me just say in response that we understand. It's fair that we agree to disagree. We understand the New Democratic Party's position. We heard it during the Rae administration and we've heard it again recently. Our view is, of course, that this is essential to multiculturalism, not just peripheral to multiculturalism. On that, I'm going to let my colleague Mr Rosenblum respond briefly.

Mr Simon Rosenblum: I would just like to point out an interesting fact to the honourable member. About a year and a half ago we commissioned a Focus Ontario poll, one that was asking questions in regard to educational fairness and the extension of funding to denominational schools in light of the provision of such funding to the Catholic schools. When the poll was broken down on the basis of party preference, it was in fact the supporters of the New Democratic Party who were the strongest supporters of all three of those parties, who said, "This inequity must be corrected."

Mr Marchese: If I had a choice, if there was a choice between—

The Chair: Mr Marchese, we've run out of time. I'm sorry.

Mrs Tina R. Molinari (Thornhill): Thank you very much for your presentation this morning. It's very extensive and it certainly touches on a number of criticisms that have been brought out. I especially appreciate the way you've outlined the first week, second week and third week, because I think in the fourth, fifth and sixth we'll be hearing a lot more coming up; some reiteration of what's already been out there and some new things that are suddenly going to come out, these fears there seem to be within the system.

I'm glad you dispelled the myth that this is going to cause a large exodus from the public system. You've indicated in your presentation that this type of tax credit is not going to entice any great number of people to exit the present system.

What I'd like you to expand on a little—and you've touched on it in your presentation—is the whole issue around choice and the fact that we as a government believe that parents have a choice. It's been indicated in some of the previous presentations that you do have a choice. You've got a system, you can pay for it and you

can go to that system. That is a choice. But I've heard in my constituency office in the riding of Thornhill from many parents and families who tell me why the public system is not a choice. I'd like you to expand on some of the cultural reasons why that system is not a choice for those who choose to have a Jewish education.

Mr Morgan: I'm going to let Mr Farber address that for a moment.

Mr Bernie Farber: It's actually a very good question. In the Jewish tradition, there are numerous religious rules and regulations that are just not feasible within the public system. There are rules regulating diet. There are rules regulating holy days. There are rules regulating time when a child has to be home on a Friday, especially during winter. There are issues centring around some of the holiest days of our calendar. Those are all issues that traditional Orthodox parents find are just not applicable in the public school. But more than that, we run schools that are not just Orthodox Jewish day schools. It literally runs the gamut from what we refer to in our tradition as Reform, Conservative and Orthodox, so literally from the religious left to the religious right.

All these parents who choose a faith-based system want a system that inculcates Jewish theology, Jewish history and Jewish values. It is clear that a public school not only should not do that, but cannot do that. So should those parents somehow be penalized as a result of that? I remember when my kids were growing up; we lived in a relatively multicultural neighbourhood in Toronto and my neighbours beside us were Roman Catholic. To this day we're great friends, but it always struck me as odd that their children had the right to attend a Roman Catholic school and get a very good and decent Roman Catholic education and my children did not.

I reflected on the fact that we were both taxpaying citizens of this province and we both contributed equally to the benefit of this province, and yet that neighbour of mine had more privileges than I did. Frankly, and I presented this to my NDP friends and my Liberal friends, and I say it again, that is not right. I don't know how anyone with a democratic sense of understanding can sit here in this committee room and say, "We're willing to live with a little bit of discrimination." I have fought for human rights all of my life, and in my perception this issue is a matter of human rights. Specifically it is not correct, it is not right, and the way to rectify this is at least the start that this government has given, and that is this tax credit. We cannot maintain the status quo.

I thank, by the way, not just this government, but the Roman Catholic community, which has stood four square in support of the position of the government on this matter.

The Chair: Thank you very much. Mr Phillips.

Mr Phillips: Thank you, and I appreciate the congress and echo what Mr Marchese said about the terrific work you do. This is a very divisive issue, as we all know, and I've had some long conversations with the leadership.

The point you make is a compelling one in the sense that I think your argument is the Roman Catholics have funding and other communities don't. I believe we have to assume that from your community, justice requires the same funding for the Jewish schools as for the Roman Catholic schools. In all my conversations with at least Simon, it's seen as this being a good first step, but we should assume that the Jewish community—because it's a matter of principle. As you just said, Mr Farber, you cannot live with your next door neighbour having, as a Roman Catholic, different treatment.

My view is that we should assume this road leads to full funding for other religious schools, the Jewish schools, and that this is a substantial first step, but just a first step. Am I wrong in that impression, from the Canadian Jewish Congress point of view, that their justice will be full funding?

Mr Morgan: The only answer I can give you is that we don't know what government in the future will decide to embrace as a matter of policy. What we have always advocated is equality, but also we've advocated some relief. So on one hand I do stand on the principle that equality means equality. On the other hand, our advocacy is sensitive to both the economic and the policy milieu in which we exist in Ontario, and we are not unappreciative of the fact that this is the first government, the first policy step that's ever been taken in our direction. So we do not want to quibble with what we've been given. We were out there without any help at all, and now someone's given us partial help. We don't quibble with partial help. We appreciate it and we think that it's an admirable first step and an admirable step for any government to have taken. No government has taken it ever before.

The Chair: On behalf of the committee, thank you very much for your presentation this morning.

1000

ORGANIZATION OF PARENTS OF BLACK CHILDREN

The Chair: Our next presentation is from the Organization of Parents of Black Children. I would ask the presenter or presenters to come forward and state your name, please. On behalf of the committee, welcome. You have 20 minutes for your presentation this morning.

Ms Keren Brathwaite: Good morning. I welcome this opportunity to speak to you today about a matter that deeply concerns the Organization of Parents of Black Children.

My name is Keren Brathwaite. I am a founding member and a chair of the Organization of Parents of Black Children and will make a statement on behalf of our organization opposing public funding for private schools in the form of tax credits proposed by Ontario's government. OPBC is a firm supporter of public education in Ontario and has worked for many years to make the system stronger and more responsive to the needs of all of the students it serves.

OPBC joins with other groups to oppose tax credits which will increase access to private schools while removing much-needed resources from our public educa-

tion system, which is the system the large majority of our students attend. We need public education; it is the only system most of us can afford.

OPBC joins with other groups to draw attention to the current underfunding of Ontario's public education system, the consequences of which are now felt by our students in the schools. The quality of their education is sliding. The breadth and depth of their education are being curtailed by underfunding in the Toronto District School Board, for example, where prioritization can be used for removing some of what we as parents and educators consider essentials.

Student learning is being compromised, I believe, by some of the funding models. It is not an overstatement for me to say that Ontario's system is in decline and we are the witnesses to the quality of education we expect for our students gradually eroding. The Toronto District School Board was recently hosting consultation meetings with parents to hear their views about which programs should be cut. What should be the priorities? In some schools, library, music, art and other creative programs which often add enjoyment to our children's life at school are limited, and in some cases eliminated. Further, with new and challenging curriculums in math and language, parents are complaining to OPBC that their students need more assistance with their courses than they are receiving.

OPBC is therefore committed to strengthening the education system rather than allowing students to exit it because its ability to serve them has deteriorated due to underfunding and increased access to private education.

Our organization, founded in 1980 to advocate for inclusive and anti-racist schooling for our students and to give black parents a voice in education, has from its inception worked for a strong and responsive public education system for all of the students of Ontario.

We have very good reason to do this. Central to our support is the fact that nearly all of our students attend public schools. This includes my own children. This is what we can afford, and we expect it to be of the highest quality. In 21 years of OPBC, I know of only one of our members whose daughter is attending a private school, and the reason is that she won a scholarship to a prestigious private school.

We are public school supporters. It is in this locale that we have been participating, because we want it to be the best system, serving the needs of all of our students. It is in public education that the majority of our students prepare to assume their future roles in Canada, make their mark and become contributors to their family, community and, importantly, to national development. It is in this locale, public education, that our students are most exposed to the valuable diversity of our society which, in itself, provides training in tolerance and in appreciating the values of anti-racism, equity and inclusion.

This exposure also allows excellent preparation for future leadership. In Ontario, the government should be allocating more resources to strengthening these public schools rather than holding out tax credits to lure students and parents into abandoning them.

In addition, I would like to emphasize that although we support the system with our tax dollars, many of our students in the public system are not receiving the level of attention and support they need to achieve success. Our research indicates that black students as a group at this time—and I would add that this a concern of historic proportions in Canada—need more inclusion in the curriculum and programming of schools in order to improve their retention and their academic success. We need to do more for the students who need more: aboriginal students, black students, Portuguese students, students from homes and neigbourhoods with low socio-economic status, students who require more language preparation ESL, students with disabilities etc.

We are calling on the government to pay attention to the variety of needs of the students in the public schools, which require more resources and funding for the inner city schools, for literacy, for ESL and for the delivery of inclusive curriculum. These special needs ought to be attracting more resources and, in some cases, special provision as with the integrated international languages program, which has been under threat even this past winter.

I would add that the Black heritage program offered in the Toronto district board, however, has been in an anomalous situation since its inception. OPBC is again calling on the government to fund the Black heritage program, which, since it began in 1979, has not received direct funding for its operation.

In all deliberations, we ought to remember that the public system is ours collectively. We expect to use it to equip our children for their future, for making their contributions to Canadian society, for assuming positions of leadership, which we believe should not be the domain of the privileged and private-educated, as we observe happening in Canada at this time.

This is our system. Let's strengthen it, not foolishly give its needed resources to the private schools. OPBC will continue to work with others to keep public education in Ontario strong, inclusive, accountable and serving the interests of this present generation of students and the generations of the future.

1010

The Chair: Thank you very much. We have three minutes per caucus, and I'll start with the government side. Mr Spina.

Mr Joseph Spina (Brampton Centre): Thank you, Ms Brathwaite, for coming forward today. Just out of curiosity, are you related to Harold Brathwaite?

Ms Brathwaite: No.

Mr Spina: He's the chair of the Peel board of education. I just wondered out of curiosity.

Mr Marchese: Not the chair; he's the director.

Mr Spina: He's the director. I'm sorry. You're right. He's the director, not the chair. I just wondered.

Ms Brathwaite: If you'd like to know, he's speaking at OPBC's meeting on Thursday about these tax credits.

Mr Spina: You know him, though. Yes, all right. That's good. Mr Brathwaite is a very good director of education.

Mr Marchese: He's opposed to the tax credit.

Mr Spina: Well, we know that.

Ms Brathwaite, you were here in the room I know during the last presentation, from the Jewish congress. I wondered if you had an opinion on their position, when the gentleman indicated he lived next door to his Catholic neighbours and how he felt that they had privileges because they were being funded out of the public system and, as Jewish people, they were not. I wondered if you had an opinion on that, whether you thought that was fair.

Ms Brathwaite: Yes, I have an opinion. My opinion is that I respect the historic arrangements re education, and I also respect the right of any parent in Ontario to send their child to a public or independent school. But my position, and the position of the OPBC, is that we ought to keep public education strong to serve the needs of the students in the public system and not to allow its erosion, which already has been happening.

Further, I spoke with a Jewish colleague recently whose child attends a private school, and she said to me that she would like to return the tax credit when she receives it, because she is fundamentally against it. So I think we all have separate opinions.

Mr Spina: Well, first of all—

The Chair: Mr Spina, we've run out of time. I have to go to Mr Phillips.

Mr Phillips: Thank you for all the time you take on behalf of the students. I want to quote to you a couple of things from the government's own brief of two years ago, just to see whether you can help us understand why they've changed their position. They say if Ontario "were required to fund private religious schools, this would have a detrimental impact on the public schools, and hence the fostering of a tolerant, multicultural, non-discriminatory society in the province." This is important: "This position of the province of Ontario is supported by expert evidence in reports and affidavits." In other words, this is a position that Ontario took as a policy, and they had it supported by expert evidence in reports and affidavits.

They went on to say in this that "if public funding were provided for private schools established for the purpose of meeting specific religious needs, it is difficult to see why public funding would not also be provided to private schools established to provide other specific needs of language, or ethnicity, or culture." Then they—this is the province of Ontario, the Harris government—say, "This would have an adverse effect on the viability of the public school system, which would become the system serving students not found admissible by any other system. The benefits which society now derives from a public school system would be reduced. Such potential fragmentation of the school system is an expensive and debilitating structure for society."

That was what Premier Harris said two years ago. What would have caused him to change his mind from all that expert testimony they had two years ago? Do the parents have any idea?

Ms Brathwaite: As parents, we want to know what's going through the Premier's and the government's mind. We have been seeing some actions which we consider strange. Our position is that we will support governments that support us having our students educated in an equal fashion. I'm here representing the Organization of Parents of Black Children, and I'm sure you are aware of the history of black students' education in Canada. In the 19th century, there were white parents who did not want our children being educated with them. So to be educated in an environment which is inclusive, anti-racist, in the public system is extremely important to us, as you know. We had to be pushed into separate schools in the 19th century because of racism in this country. So the public system is ours to improve and ours to be part of, educated with all the other groups this system serves.

For our parents, private education is not an option. The parents cannot afford it nor do they want to seclude their children in schools which are limited in focus. Most of the parents to whom I speak, nearly all of them, want to educate their kids in the multicultural, multi-ethnic, multiracial Toronto, Ontario, that we know and to benefit from it.

We know, in terms of future leadership, this is going to assist the direction—and I mean the very positive direction—of Ontario and Canada. We need people who understand what equity means in society. We believe that this government has taken away anti-racism and equity principles from education. Our organization is calling on the government to return to these principles.

Mr Marchese: Thank you, Ms Brathwaite, for your presentation. I support your position, New Democrats support your position and the majority of people in Ontario support it as well. You speak about anti-racist programs which—I know the government members are a bit busy with other things, so they're having a hard time focusing on our issues.

The Chair: Mr Marchese, I think I can share with the committee that I don't like to see other discussions going on, but when the discussions are going on on this side, I don't point that out to anybody. So I think you should pose the questions to the presenter and go on so that we can get on with the order of business.

Mr Marchese: Usually, Ms Brathwaite, I don't have any conversations, because I'm alone. I listen to you, I listen to them, I listen to the Liberals, I listen to everyone. I think it's important when deputants come for at least one or two members to be paying attention. I think that's a useful thing to be happening, Mr Chair.

The points you raised are critical for me. Anti-racist work is critical in our society. The Toronto board of education has done it for a long time, has done it well, could be doing it better. If this government is so committed to giving money to private schools and to funding private schools in their own culture and religion, why

wouldn't they be committed to restoring some of those principles that you spoke about in terms of reflecting our diversity? Why would they have gotten rid of the antiracist secretariat, for example? Why would they have done that if they're committed to this issue, that we need to reflect the diversity and teach education in their own language and religion? Why would they get rid of the anti-racist secretariat?

Ms Brathwaite: That is the question which has bothered the parents with whom I work and the African-Canadian community. We are thinking about the future of our children. Will the system continue to respond to them? It is a system in which they are enrolled. So we have serious concerns.

I have been sitting on the committee advising on secondary education for the past five years, and in that committee we have tried to raise the issues of school retention, academic success and more resources for those students who are at risk of dropping out of school. We are not hearing a response that is going to tell us that these students' education will be strengthened. We are at risk of losing so many of our students from school.

There are countless studies. If I were to bring our research to you here today about the education of black students, there is so much you would have to read. There have been studies on dropouts. There was the Stephen Lewis study, which rang alarm bells, which connected to the academic research that has gone on, every student survey etc of what is needed to retain our kids in school, make them competitive with those students exiting to the private schools.

1020

Mr Marchese: The Black heritage program—you spoke about it and other people have spoken about the critical need to have it as a way of reaching out to young people of colour. We're losing that program. With a fight, we were able to maintain it for another year, but I'm not sure how long it's going to last. Isn't that the case?

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

Mr Spina: On a point of order, Mr Chair: We don't comment on when Mr Marchese leaves the room to go—

The Chair: Mr Spina, that's not a point of order. I'll deal with it. Thank you.

Mr Marchese: When four people are talking it's dumb, OK? That's the point. If you have a deputant here and four people are talking on the other side, you have a problem. That's what I'm saying.

CERTIFIED GENERAL ACCOUNTANTS' ASSOCIATION OF ONTARIO

The Vice-Chair (Mr Doug Galt): The Certified General Accountants' Association of Ontario is next. Would you state your name. You have 20 minutes in total for your presentation and responses from the respective

caucuses; whatever you don't use would be divided three ways.

Mr Paul Moloughney: Good morning. My name is Paul Moloughney, and I'm a member of the Certified General Accountants' Association of Ontario. The Certified General Accountants' Association of Ontario is an association of professional accountants representing approximately 13,500 certified general accountants, more commonly referred to as CGAs, and approximately 9,000 students across Ontario who are enrolled in the association's programs of professional study. I am also an elected member of its board of governors. It is my pleasure to have the opportunity to present to this standing committee today.

The May 9, 2001, Ontario budget provided personal tax cuts. These cuts will allow more money to remain in the hands of Ontarians to allow them to continue to spend and fuel our economy. In addition, it will allow our residents to maintain and continue to improve our standard of living as a whole. This will attract more qualified workers to the province. In addition, it is better to have a lower personal tax rate applied to a broader base of people. Additional personal spending will fuel the economy by creating demand. This is important both to sustain long-term growth and to remain globally competitive.

The corporate tax cuts introduced will also help to continue to stimulate our provincial economy and make us more competitive globally. Reduced corporate tax rates will encourage businesses to come to Ontario and also encourage others to stay in Ontario. These cuts will allow more money to remain in corporate hands to allow for continued expansion. Corporate spending also creates demand and it also allows businesses to continue to modernize and therefore remain globally competitive.

We are part of a global economy and therefore must think and look globally when making decisions. These factors seem to have been taken into consideration in this budget.

We also know the budget introduced additional measures to reduce the compliance costs Ontario businesses incur. Governments need to collect tax as their source of revenue. However, a business's source of revenue is from selling product or providing services, yet businesses play an important role by assisting government in collecting its revenue. This is a cost to business. However, it was good to see that the budget is reducing some of the cost of acting on behalf of the government. Three things came to mind: first, the waiving of one late filing penalty for retail sales tax purposes; second, allowing corporations with between \$2,000 and \$10,000 of liability in the previous year to make quarterly tax instalments instead of monthly instalments; and third, any claims for less than \$500 annually for gasoline, fuel and tobacco tax refunds no longer require copies of all documents to be attached and submitted. The government should continue to reduce the administration burden imposed on businesses that assist it, the government, in its revenue collection.

The government should continue also to provide selected incentives to allow businesses the opportunity to keep current with technology and remain globally competitive. We believe that when the proper incentive is used, the payback to the government in terms of additional tax dollars is a multiple of the initial cost. This would include both tax credits and accelerated write-offs for activities or expenditures like R&D or other special property acquisitions.

The Certified General Accountants' Association of Ontario thanks the standing committee for this opportunity to present our brief comments in this public forum and wishes you all the best as these hearings continue.

The Vice-Chair: Thank you very much. We have approximately four minutes per caucus, beginning with Mr Kwinter.

Mr Monte Kwinter (York Centre): Thank you very much for your comments. I just want to explore your thoughts on a couple of things that I've had a lot of problems with. There's no question that tax cuts are desirable—without question. It's obvious that if you cut taxes, businesses are going to have more money to spend, individuals are going to have more money to spend. But one of the problems we have is that these tax cuts were initiated at a time when we were in a deficit position, so effectively money was borrowed to give these tax cuts. The rationale, of course, was that the Ontario economy is booming because of these tax cuts, when in effect—just like another issue that we are currently debating almost exclusively at these hearings; the tax credits for education are not going to really come into effect until 2003 and be fully implemented by 2006.

The government would stand up and say, "Our gross domestic product is booming as a result of our tax cuts," when those tax cuts hadn't even cut in. Basically the reason we were booming was because of the booming economy in the United States, and now, of course, the economy in the United States is not booming the way it was. We're now projecting—I've heard people who've appeared before this committee and the pre-budget hearings say it's expected that we'll be at about 2% gross domestic product as opposed to the 5% or 5.5% it has been in the last couple of years. If these tax cuts are so great, we should be going even higher instead of going lower, which indicates to me that notwithstanding that the government side always says, "Don't tell us it's the United States. It's because of our tax cuts that the economy is booming"—what happened to the economy that the growth has shrunk by half, even though there has been an acceleration of tax cuts?

Mr Moloughney: Firstly, I'm not sure if the tax cuts should get the full credit for the economy as it moves up and down. I've been in the business world for about 19 years, and personally I feel our economy is not as dependent on the US as it was 19 years ago or even 10 years ago. It's more of a global economy. We're seeing more investors from elsewhere in the world and therefore more influence from elsewhere in the world.

There's no question that the tax cuts do benefit us. I cannot quantify to what degree. I cannot quantify where we would be if we didn't have those tax cuts. But there is a measure of benefit. Without being able to pull out my slide rule or whatever and attempt to project, I'm sorry, I cannot answer that question.

Mr Kwinter: Just to your comment—

The Vice-Chair: You have about half a minute left.

Mr Kwinter: I just wanted to let you know that statistically, if anything, our dependence on the United States is growing and the inputs from the other parts of the world are diminishing slightly, so we are getting even more dependent on the United States than the reverse.

Mr Marchese: I've got similar concerns, because I've been asking the government to show economic evidence for this great economic boom we've had as a result of the tax cuts. The answer I expected is what you said, that it's hard to quantify, although I read a couple of years ago that they said possibly \$30,000 could be attributed to the tax cut. I think it was a year or two ago; I don't remember how long that was. We're going to be spending, by the end of next year, close to 12 billion bucks on tax cuts, both individual and corporate, and we don't have any money, it seems, for post-secondary education, where they've cut cumulatively \$1.2 billion—but Hardeman is so happy to say they've poured money in. At the elementary and secondary level they've cut \$2.4 billion, but Hardeman is happy to say, "We put more money in."

1030

The health care system was reeling in crisis, home care, our support for our seniors, was reeling. They're talking about privatizing health care because, they say, "We don't have any money," but they seem to have money. People don't see the wonderful effects of this wonderful economy because their wages have been stale for the last 10 years; some have seen increases. The gaps are increasing between you guys—the people you represent, because I'm not sure how wealthy you are—and the others at the bottom. Some 50% of the workforce is earning less that \$30,000 a year, and you and they are saying, "This is a must, we've got to do it. It's great. It's good for the economy." People are not seeing it.

So, I'm saying to you, how do we restore some sanity into our social world, which is slowly disappearing, when you and the Conservatives are claiming that the tax cuts, both individual and corporate, are critical for us to be competitive? Do you see how loony it seems to people like me?

Mr Moloughney: Again, personally speaking here, I am a tax person myself.

Mr Marchese: So am I. So is everybody else.

Mr Moloughney: I'm a tax person; I practise income tax, corporate income tax.

Mr Marchese: A bad tax person.

Mr Moloughney: I'm also a taxpayer. That's why—

Mr Marchese: Oh, tax person versus taxpayer, I beg your pardon.

The Vice-Chair: Give him a chance to answer, please. Give him a chance.

Mr Marchese: Oh, no, I want to.

Mr Moloughney: I often deal with global companies making decisions as to where to locate. They look at many factors. They look at everything from the quality of the workforce to the provincial legislation or local legislation at the various levels, and they also look at the cost of doing business. In addition, they also look at exit strategies, to be quite honest and open with you, because at some point they may leave.

There have been a number of situations I have worked in where, at the end of the day, even though we look to the US and other provinces and say our tax rates are favourable or good, the other provinces or states say theirs is better, and they quote percentages. There have been a number of studies that say we're as good if not better, because when you go through all the detail—you can't look just at that chart that shows our marginal rate level for the province of different income—we are very competitive. I haven't seen a chart since the May 9 budget, but my assumption is that we are more competitive.

It's to a point where a number of clients have actually stayed away from the tax question, "What's it going to cost for me to carry on business in Ontario?" because they see us as being very comparable to elsewhere. Then they look to our workforce, and in my mind our workforce, if we can have a good tax rate which will—there have been all kinds of articles in the last year or so about people leaving, going to the States, the brain drain. We will attract those good-quality people, and that is one of the factors—

Mr Marchese: You're running out of my time. I just want to ask you another question. I hear where you're going. In the US, 40 million people don't have medical insurance and another 40 million have inadequate health insurance. How competitive do you want us to be?

Mr Moloughney: I want us to be competitive enough that people look at us from a tax point of view and see that we're indifferent.

Mr Marchese: I understand.

Mr Moloughney: Apparently the people in Ontario are willing to work for certain salaries and wages with benefits—health care or whatever—and people elsewhere in the world or the US, in different locations, are willing to work for certain salaries and wages and certain benefits.

Mr Marchese: Do you find it acceptable, the 40 million who don't have health insurance in the US and the 40 million who have inadequate health insurance? Do you find that acceptable?

The Vice-Chair: Thank you very much. We'll move on to the government side. Thank you, Mr Marchese. We'll move on to Mr Hardeman.

Mr Hardeman: Thank you very much, Mr Chairman, and thank you sir, for your presentation. I'm not surprised at the comments from across the way here, from Mr Marchese. His government's philosophy was that you

can spend your way out of a recession and you can increase taxes to provide services the people require, when in the end their revenues kept going down and they became less and less able to provide the type of services that we need in this province, such as quality health care and quality education.

But he was right when he pointed out that we have increased spending in health care, we have increased spending in education, we have increased spending in post-secondary education. He was right on that point, so I want to give him credit for that, and I also want to say that he has been consistent. He has been against tax reduction for the hard-working people of Ontario ever since he has been at Queen's Park. I think the word was they've never seen a tax they didn't like.

I was most interested in the comments from Mr Kwinter, who suggested that tax cuts do work, that they do increase the economy and are good for building that economy to raise revenues, to provide services. But with his suggestion that doing that at a time when the economy was not buoyant was inappropriate, that we should, as we talked about in some other areas of our discussions here, wait for the right time to give tax credits and tax relief to the hard-working people of this province, he seems to disagree that reducing taxes will increase revenues because people will have more money to spend and will spend it, that the economy will then increase and we will as a government have the ability to provide the services they need.

Our connection to the US economy was mentioned, that all the good things that have happened in the province of Ontario in the last five or six years with providing tax relief to hard-working Ontarians is related to the American economy. We in Ontario had the same trading partners as the province of Quebec over that same period. Maybe you can answer why we would do better than they would with the same trading partners. They were also reaping the benefits of that American economy. Second, why is it that our growth would be faster than the American growth, as opposed to that we were just on the coattails? Where I come from, to be on the coattails you have to be somewhat behind; you can't be on the coattails out front. Our economy has been in front of this buoyant economy all the way through. I wonder if you could explain that to me and maybe Mr Kwinter.

Mr Kwinter: All those cars being built here go into the States.

The Chair: Go ahead and answer the question, please. Mr Moloughney: I look around at the various generations—my parents, the younger generation, my wife and myself—and over the generations, we as a whole have become better educated. I think that's in part because of our infrastructure in place, our education system. That has allowed us to develop good-quality people, and with the tax cuts hopefully we will retain those good-quality people. As a result, businesses are drawn here, because when you expand anywhere in the world you need so many people at the various levels in an organization, right from the very top executive down

to the lower level of people, the labourer types doing the less educated work. You need that blend, that mix. I think we as a province have been able to do that well and have achieved that. That goes back to 30 years ago when we put the college system in place.

The Chair: We've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

1040

ZAREINU EDUCATIONAL CENTRE

The Chair: Our next presentation is from the Zareinu Educational Centre. I would ask the presenter or presenters to come forward and state your name for the record, please. On behalf of the committee, welcome. You have 20 minutes.

Ms Carol Goldman: My name is Carol Goldman. I'm the principal of Zareinu Educational Centre, a private school for children with special needs in York region. I'd like to tell you a little bit about Zareinu and perhaps some of our viewpoints in this issue.

In 1988, a small group of Jewish families united to found a school for their children with disabilities that would provide therapy and specialized education in a nurturing Jewish environment. Zareinu strives to provide a high standard of intervention that will enable each child to function to the best of his or her ability within their school, family and community.

Zareinu is a Jewish day school and treatment centre which provides special education and on-site therapy for a population of students with diverse needs including cerebral palsy, Down syndrome, autism, learning disabilities, attention disorders, developmental delays, communication disorders and other neurological impairment. Zareinu staff includes a team of physio, occupational, speech, music and life skills therapists, resource teachers, special educators and educational assistants. A clinical developmental psychologist consults to Zareinu.

I think it is very significant for the committee to know that rather than depleting resources and finances from the public education system, Zareinu offers support and resources to both York region and Toronto District School Boards.

Zareinu's integration and outreach programs work closely with these school boards to facilitate the partial and total integration of Zareinu children into mainstream public schools or private schools. When a child at Zareinu is ready for this process, the school board visits Zareinu, and Zareinu then joins the IPRC process and continues to offer the services of their therapists to make sure this particular child and their integration into the elementary school are successful.

Even when a child has completed integration into a mainstream school, Zareinu continues for several sessions to be available for consultation with our therapists or special educators, again to make sure that we are providing as much support as we can for this child. This involvement includes our attendance at meetings with

special education departments. Representatives from school boards visit Zareinu, where they are introduced to the children potentially appropriate for integration into their local schools or special education placements. We offer support to each child's setting, particularly in situations where children attend Zareinu and their designated public school placement concurrently. We use communication books to offer opportunities for teachers, between our private staff at Zareinu and the public school teachers to be able to provide the best they can for our children. This support is also available to the public schools when the child is fully integrated, and we continue with consultation.

We are often approached to accept children with complex needs because our strength is evident in being able to provide on-site therapeutic intervention and individualized special ed to meet diverse needs.

All of this, I'd like to point out, is done with no charge to the public school system. In fact, in 11 years, until very recently, Zareinu has received no government funding. A recent announcement of the provision of the special health services initiative to independent schools will be tremendously helpful to Zareinu and the private school sector, and we're very grateful for this initiative. However, the parameters for eligibility for this particular initiative are still narrowly defined, and even among the 60 children at Zareinu, with their complex needs, only three quarters of that population are eligible for some assistance. This assistance will be very much welcome but only addresses a fraction of the total needs of each child.

Once again, if these children were in the school system, it would cost a significant amount of money to provide for their complex needs. So in many ways, Zareinu is supporting the public system, even though it is a private school, not receiving a great deal of funding, yet attempting to meet our commitment to these children by providing the elementary schools with as much support as we can.

I would also like to point out that Zareinu provides educational opportunities for teachers in training. Student teachers in early childhood education from the community colleges and universities and student teachers in special education from York University have all used Zareinu as a model teaching and training centre. The University of Toronto departments of physical therapy, occupational therapy and speech pathology from the faculty of medicine also use Zareinu as a model training centre for their students. In many ways, we are certainly supportive of the public school system, and rather than depleting resources and funds, Zareinu has contributed resources.

I would also like to bring to your attention that it costs Zareinu well over \$30,000 per year per child to provide the therapeutic and special education needed. Of those funds, full tuition is set at less than half of that amount, and less than 20% of the parents of Zareinu are able to pay even that tuition. After a thorough subsidy review of their earnings, Zareinu has never turned away a child or

family for not having the financial means. These families are subsidized through hard work by their communities and by fundraising. This, as you can appreciate, puts a huge financial burden on Zareinu. Families at Zareinu often need a great deal of resources and support for themselves and their children.

We fully support the proposal by Ontario Finance Minister Flaherty to provide parents who send their children to independent schools with a phased-in tax credit of up to \$3,500. We envision that it will somewhat ease the financial burden that so many of our parents face. We hope this will allow Zareinu to continue offering subsidies to our parents and in fact that we will not need to turn away families in need of our help because this extra funding is in place. It will help Zareinu by ensuring at least a small portion of tuition. It certainly will in no way cover the cost of the child at Zareinu, but it will make a difference, and it's a start. It will open doors for more families that may need Zareinu's intensive intervention program. If Zareinu were not in existence, the costs of fully reintegrating many of these complex students would obviously far surpass the dollars being offered in rebate.

To the families of Zareinu, being able to provide for their children not just the therapeutic intervention they need or the special education, but for all of this to be in an atmosphere that reflects their cultural and Jewish heritage, goes a long way in helping them through the very stressful days that having a child with complex special needs presents, knowing that even though their child may not read or write, may not be able to speak without the assistance of augmentative communication, computers or voice output boxes, perhaps knowing that their child may not walk or run with other children, but now they have the comfort of knowing that their child can be part of the community in another way, and that is to immerse them in the cultural teachings and values of their religious heritage.

I believe that Canada is a cultural mosaic and the freedom of choice of religion is not necessarily exclusive of freedom of choice in education. For many families, we must realize that these go hand in hand.

I believe as a Canadian citizen that one of the beautiful things about Ontario and Canada is our sensitivity and cultural awareness. So much of this is reflected in the freedom of choice and respect given to the mosaic of different cultures and religions that make up our society. I strongly believe that freedom of religious choice and freedom of education are not parallel but are, in many cultures, an integrated value, and I believe that giving parents that freedom of choice is extremely important. It speaks to who we are as a Canadian society. The very essence of tolerance and respect that we are expecting from this generation of children is spoken to in the fact that we are not requesting that they must become a melting pot but allow families and their children to take pride in their heritage and their beliefs.

Our philosophy is based on the belief that each special child is a valuable member of our community and has the right to an adapted education, opportunities for improving life skills, communication techniques and respect for their strengths as well as a focus on their needs. Their families must be an integral part of our efforts, their input treated with respect and their participation in planning individual programs for their child respected.

We believe that every child has potential and deserves our united efforts in providing therapies and strategies that will improve their quality of life. We work towards increasing acceptance of children with special needs in the community through workshops on tolerance and respect for differences. I know that on Monday, the Ontario parents for equal education spoke on behalf of the many parents in Ontario who share these views.

In our opinion, the government's proposal is an important step in providing equity and further affirms a commitment to our society's recognition and respect for all citizens of differing cultures and differing abilities. For those families who have chosen a life of commitment to their religious and cultural heritage, we are finally supporting the freedom of choice in education that is an integral part of their lives.

The Chair: Thank you very much. We have three minutes per caucus.

Mr Marchese: Ms Goldman, just as I said to the Canadian Jewish Congress that I respect their work, I appreciate the work you do at your centre. Obviously, it's difficult work. I read with some interest on page 4 how you talk about, "We are not requesting that they must become a melting pot but allow families and their children to take pride in their heritage and their beliefs." I don't believe in the melting pot either, but I advocate for multiculturalism within a public system rather than a separate one, and I believe we should be reflecting, we are reflecting and can do a better job of reflecting our differences in the public system.

1050

Ms Goldman: I believe in both. I think there should be a huge component of multiculturalism within our school, but I think we still must respect the fact that for some cultures and some religions these two things do go hand in hand, that educational choice and religious choice go hand in hand. I would never recommend that someone of a Mennonite family must blend into a public school, because maybe they do need something within their culture. I think that, as Canadian citizens, we of all people should understand that.

Mr Marchese: This is where we differ philosophically. I put it to the Canadian Jewish Congress as well. I'm not sure we can reconcile our differences. While I appreciate them, it's a tough one for New Democrats, because we believe that we need to accommodate our differences in a public system.

Ms Goldman: Absolutely.

Mr Marchese: For most people, obviously, that will be the case, and for some it will not be enough. You're saying, "Therefore, help us to make that choice," and we're saying, "Sorry, if we can't accommodate those

differences within a public system, then people have to make different choices."

Ms Goldman: Can I ask you if you read this morning's paper, about a family in Ottawa that's suing because their child needs to go into the public school system and can't?

Mr Marchese: This is where I denounce governments—any government, for that matter, but this one in particular—where they cannot and do not address those needs and will not put the resources. They make a stronger commitment to cut individual and corporate taxes, but have no money to address such needs. So is the response to say, "We need to create an independent private school," or is the response to say to this government in particular, "You need to put the money in so that no one is left out of those services"? My response is, "Address the problem," and they're not doing it.

Ms Goldman: My belief is there is definitely room and need for both. There is definitely room and need for us to be more accommodating within our public schools and there is need for us to recognize that that doesn't work for every child. Given the children that I deal with, it's a very nice thought to believe they could all be accommodated in the public schools, but it just doesn't work. There are children whose needs are different; there are children in private schools who are not religious who learn differently. I hope some day we'd be able to accommodate all of their needs always, but it just isn't going to happen, and right now it's certainly not happening, unless we do something about it. We're choosing one religion and saying, "That's fine; we're going to accommodate that particular religion but we're going to ignore the needs of so many others." This is Canada; we're a cultural mosaic and we need to address that.

The Chair: Thank you very much.

Mrs Molinari: Thank you very much for coming forward with your presentation. For the record, I can attest to the wonderful work that Zareinu does with our most vulnerable children. Certainly I've visited the school and seen at first hand and congratulate you on the wonderful work that you do.

You've made some very interesting points in your presentation and they're very consistent with the presenters from the Canadian Jewish Congress, with whom we talked about choice. I'm going to ask you a similar question to the one I asked the previous presenter, but before I do that I want to note your comments about, if all of these children were to be reintegrated into the public system at once—what that would do to the system at this point in time, being able to provide for all the children that you serve most admirably within your system. Within the private system, to integrate all of those students, if they all came into the public system, if all those schools closed down, there would be a real issue for the government, for us to be able to serve all of those students.

What we're doing with the tax credit is addressing some of the integral and important service that you provide for these students. You also assist the reintegration into the public system at your own cost, with the pressure you have with limited resources.

The issue around choice—some of those who are opposing the tax credit are saying, "Parents do have a choice. They go into another system and they pay for it." That's the choice. Can you highlight why that is not a choice for the ones you serve and the fact that the public system would not be an adequate choice?

Ms Goldman: There are certainly situations where, with the complex needs of our children, the public schools are turning to us because they know we can provide the on-site therapy and the one-on-one workers, which is just impossible to do within that system. We have kids who are medically fragile. We have a child who can't attend the public school system unless his worker is with him. The fact is, for those parents it's not really a choice. The choice is that they need Zareinu or similar private schools that support children with special needs because their children don't have a choice. I think that's something we have to understand. Or when they're making that choice, they have to understand that we can provide an intensive intervention program that could mean the difference in that child walking or speaking. In the public school it's obvious that they can't do that right now

Interjection.

Ms Goldman: Fixing it is not—I mean, I don't think there's a place in Ontario that can fix the situation of the complex-needs child. I think everyone is trying as hard as they can, but the reality is that there are some children who need a private school. There's also the fact that children learn differently. I hope the public schools continue evolving and working on accommodating every child, but there's a reality here: they can't do it. Some children need a small, contained classroom and there are only so many of those possible. You're talking about limitless funds. They're not there.

Parents have to be able to choose what is best for their child. There's no reason we shouldn't respect that parent's choice. Our families, when they come to us, have researched centres, they've been through the public school system, and they feel very strongly that these children need this kind of setting. I don't see why we can't respect that choice in the same way we respect the fact that they can attend any church or synagogue or temple or religious facility they want to.

Mr Kwinter: Thank you, Ms Goldman. I have a Zareinu facility in my riding on Bathurst St, and I've visited it. The concern I have is that this particular initiative is buried in a budget bill, when in fact this should be a bill unto itself. I have some concerns for organizations like Zareinu. When I visited your facility and I saw these young children who are just—I mean, it brought tears to my eyes to see the condition they had to endure. It seems to me there's a responsibility for the Ministry of Community and Social Services, the Ministry of Health and the Ministry of Education. Each has a role to play, because this isn't a one-size-fits-all. It isn't as if you're saying, "We have a school and it's faith-based,"

or whatever it is, or "It's a private school." It is a very, very complex learning situation because of the condition of the people who are there.

My concern is because we haven't seen the meat of what they are doing. This is just a line item in a \$61-billion or \$62-billion budget. We haven't seen whether or not you in fact will be eligible. We don't know that. I hope there is some financial support for you, but we don't know what the criteria are going to be. As a result, you may find that, for reasons known only to the government, you're not eligible.

Ms Goldman: Well, I have to tell you we are eligible for the special health support service initiative, which we are counting on to be very helpful to us. Eligibility has been determined for us. We are definitely a private school, registered as a private school, so our parents will be eligible for that tax rebate. For us, that means that some parents who have been paying no tuition because they're on welfare assistance or because their funds don't allow it or they're just completely strained keeping a special-needs child at home will then be able to provide some tuition to Zareinu, which in turn means that I don't have to turn away a child who's coming to my door because I know I can't hire a program assistant or I know I can't knock up the occupational therapy hours for that child. So ves. it's a start and it's going to help. I'm very confident of that, and I don't persuade easily.

1100

Mr Kwinter: As I say, I hope you're right, I really do. but the other concern I have is that we don't know. We don't know what the conditions are, because what's going to happen is that it's going to be done in regulation. It's not going to appear before this committee and it's not going to the Minister of Education, who hasn't even been at this committee. We're talking about education—the corollary is the financing of that education but the Minister of Education hasn't even presented herself to this committee to give her particular perspective on what it is this government is trying to accomplish. We know there's no question they're trying to give some tax relief to people who are really being discriminated against, but my concern, and I voice it to you again—I hope you do qualify, but I'd feel a lot more confident if I had an idea of what limitations, if any, are going to be put on the eligibility for this funding, what conditions, what requirements, what standards. Those are things I don't know, and as a result—as I say, I wish you well. You do fabulous work, and I wish you all the support you can get.

Ms Goldman: Thank you very much.

The Chair: Thank you very much for your presentation this morning.

ELEMENTARY TEACHERS' FEDERATION OF ONTARIO

The Chair: Our next presentation is from the Elementary Teachers' Federation of Ontario. I would ask the presenters to come forward and state your name for

the record. On behalf of the committee, welcome, and you have 20 minutes.

Ms Phyllis Benedict: Good morning. My name is Phyllis Benedict. I'm president of the Elementary Teachers' Federation, and with me this morning I have my research officer, Pat McAdie, general secretary Gene Lewis, and first vice-president Emily Noble.

The Elementary Teachers' Federation represents 65,000 teachers and educational workers in the province of Ontario. We stand on a very proud record of the level of service we deliver to the public elementary children in this province.

We are opposed to using public funds, including tax credits, for private schools. This was one of the very first policies that the Elementary Teachers' Federation passed at our first annual meeting in 1998. This government, through the Premier and the Minister of Education, has always stated that it would not introduce charter schools or vouchers. Indeed the Minister of Education said to us on more than one occasion, "Stop talking about it or it might happen." They claimed that they were interested in ensuring a strong public education system. With no discussion or warning, the Minister of Finance introduced a voucher system with the 2001-02 provincial budget.

A number of polls show us that there is not public support for this initiative. One poll, conducted by the Ontario Institute for Studies in Education, was released just two days prior to the budget, reporting that only 26% of Ontarians are in favour of extending public funding to other religious or private schools. This is confirmed by two other polls that have been conducted since the announcement

This represents a major shift in policy direction, one that we think warrants much more discussion and public input. At bare minimum, we believe that there should be full public hearings on this issue alone.

This measure will apply to over 100,000 students currently enrolled in the private schools in Ontario. We believe this number will increase over the next few years because of this policy. Only 12,000 students in the whole of the United States are enrolled in private schools supported by public vouchers, and because of much opposition, President Bush has had to back away from his initial proposal for an expanded voucher system.

We do not deny that parents have the right to send their children to private schools, but that is a private choice and should not be funded with public money.

Private schools have private rules. They're not required to accept all students who apply. They're not required to follow the provincial curriculum. They're not required to employ certified teachers. They're not accountable to the public, even though now they will be funded by public money. Private schools are even exempt from the full application of the Human Rights Code.

We also know that not all parents are able to exercise choice. Parents who are better educated and relatively well-off are much more likely to make active choices about the education of their children. We believe we should be ensuring that all children receive a high-quality education system regardless of personal circumstances.

Our public investment should be directed to improving the public education system. Taking inflation and enrolment into account, this government has cut over \$2 billion from elementary and secondary education since 1995. That's over \$1,000 per student. This has had a dramatic impact on our schools. In the public elementary schools, we have experienced the following:

There has been a loss of special-education programs. In the last year, 22% of the schools report a loss of special education teachers and 35% of the schools report a reduction in special-education programs.

There has been a loss of library programs. In the last year alone, 16% of schools report a loss of teacher-librarian positions and 29% of schools report a loss of library programs.

There has been a loss of music, design and technology, English-as-a-second-language and family studies programs.

Students have not had the opportunities to go on field trips to extend their learning outside of the classroom.

There are insufficient textbooks and other learning materials for our students and insufficient resource materials for our teachers.

We've seen the closing of schools that fractures local communities.

We've seen an increased use of fundraising to pay for basic supplies in our public elementary schools.

Our class sizes remain too large for effective learning.

The \$300 million that has been estimated as the cost of the tax credit for private school tuition should be used to improve our public schools. The \$300 million could reduce class sizes to 21 in the primary grades, and that would make it the same average class size as in secondary schools. Surely those children at the beginning of their school careers deserve the best start we can provide for them, and that's not happening now. That \$300 million could also be used to put books back in our libraries and programs back for our students. It could be used to help get students off the waiting list for special-education assessment and to provide programs for those high-need students. It could be used for ensuring sufficient class-room supplies and teacher resources.

Our public schools provide the foundation for a democratic society for all citizens. Our public schools give students from our multicultural society a place to feel welcome, to feel they are an important part of their community. Our public schools teach and practise equity.

We want and we deserve a strong, high-quality public education system accessible to all—to our children, our grandchildren, our neighbours' children.

We call on this committee to recommend that the education tax credit provision of Bill 45 be removed.

The Chair: Thank you. We have approximately three minutes per caucus, and I'll start with the government side

Mr Galt: Thank you for your presentation. I just want to share with you something that was tabled here this

morning for the committee, and it relates to your presentation, on funding. As I look at what was tabled, if I understand it correctly, funding has gone from \$12.8 billion in 1997 to \$13.8 billion this year, moving from \$6,726 per child to \$6,960 per child. I have a little difficulty with where you may be coming from or not coming from with your figures. I have heard Mr Phillips make the statement that it has dropped some \$75 million this year. I look at the figures that relate to the one-time funding that has come through for textbooks and restructuring funds etc, and in fact just the basic funding formula has increased some \$360 million this year, as I understand it.

1110

One of the things that I find has been misleading—and I've heard you comment here about lack of textbooks. I looked at the funding in our own board, the Kawartha Pine Ridge board. In fact the spending on textbooks, based on the envelope that was set aside, was slightly over 50%. I respect their decision as to where the money went. I understand a lot of it went into computers, and I have to respect that. But when they shift the money around and then come back and say, "We don't have money for textbooks," I have some difficulty with that and those kinds of explanations.

Can you help me as to why we keep getting this kind of information when in fact what I've read is what has been tabled to this committee as factual? And non-partisan; the clerks have provided this, not the government.

Ms Benedict: I think you need to take a couple of things into consideration: that when we use this, we cite from what was in the system in 1995 and what we see in 2001. If you look at the responses from school boards as to the most recent increase that they see in the funds that are going back to them from the government, it doesn't even cover the cost of inflation; it doesn't cover the rising cost of heating the facilities or transporting the children to the school. It doesn't consider, in some parts of our province, the increase in student enrolment.

You mentioned Kawartha Pine Ridge's decision to put money into computers or into textbooks. I put it to you, sir: they shouldn't have to make that decision. There should be the funds there to ensure that our public schools have all of the resources—physical resources and personnel resources—to ensure that our kids have the best public system that we can offer to them.

Mr Phillips: I'll make a comment on the numbers and then ask you a question on the philosophy of it. The numbers that Mr Galt just pointed out are very interesting. Over a four-year period, the per pupil funding has gone up less than 1% a year, at a time when inflation is going up well in excess of that. Actually, the numbers that were tabled yesterday show spending at \$75 million less this year, 2001, than last year. I think he kind of makes your case, or our case, and that is that spending has gone up less than 1% a year when we all know that inflation is up a lot more than that.

The government, less than two years ago, presented this very extensive brief to the United Nations, arguing against extending funding to private schools. It's well worth reading; I'm sure you have. But I just want to read a couple of quotes here, among others.

They say extending it would lead to increased public school closings and the reduction of the range of programs and services a public system can afford to offer. They say it "would undermine the ability of public schools to build social cohesion, tolerance and understanding. When diverse populations separate themselves from the general mix, the public system is the poorer because the opportunities for understanding and accommodating differences are diminished."

Again, I stress, this is the government, Premier Harris's, argument just two years ago. Is the teachers' group aware of any research that has been done by the government recently that would cause them to do a 180-degree turn on the position that they put in writing before the courts and the United Nations two years ago?

Ms Benedict: I would say that this decision, like many other decisions that have affected education since 1995, was made with very little research. These decisions are made more as a response to polling that the government has done and someone's personal desire to take education in a particular bent. It certainly is not done with research or consultation of the key stakeholders in education in our province. I'm not aware of any research, and I would hazard to guess there hasn't been any solid research done on this.

Mr Phillips: There are several other quotes in here that are, I think, worth the public being aware of.

Again they're arguing, "One of the strengths of a public system of education in a province and a country which are committed to a policy of multiculturalism is that it provides a venue where people of all colours, races, national and ethnic origins, and religions interact and try to come to terms with one another's differences. Such a process is not without its problems and frictions but the fact that the public school must deal with the varied needs and interests of the total population makes it a valuable institution for the creation of better understanding among the various groups. In this way, the public schools build social cohesion, tolerance and understanding."

That was one of their strong arguments. Would that view be held by the teachers' federation, that that is one of the key reasons why we would be making a mistake to head in the direction of fragmentation?

Ms Benedict: Absolutely. Even if you go back 10 years ago with another government in power, which did realize the importance of public education in ensuring that we moved our citizenship forward in areas of understanding other backgrounds of multiculturalism, many boards put into practice initiatives to ensure that schools did look at diversity, did accept and change mindsets that were far more negative and, even in parts of the province where you don't see a high visible minority in a student

population, to ensure they realize that Canada is multicultural in nature and to appreciate that diversity.

The importance of what happens in the public system—and I do agree with the comment that it's not perfect, but we do design programs to address those issues and to ensure that if a situation comes forward that needs to be dealt with that is a negative situation, we do so in a way that is informative and educates the whole student population that we have.

Mr Peter Kormos (Niagara Centre): Mr Chair, I hope no more of the Conservative members leave or else we'll lose quorum.

Thank you very much. It's interesting, because I've got the same data Mr Phillips referred to, that there's a \$75.8-million reduction in investment by this government in education this year from the previous year. Down where I come from, down in Niagara—you should have been there on Friday. The Conservative members were calling one presenter a liar, a superintendent for the school board down there. Remember that? They were calling him a liar because he said Niagara received less money this year than it did last year, and sure enough Mr Johnston, using the government's own numbers, shows a reduction of \$2.25 million this year as compared to last year.

I met with a group of custodians from elementary schools up in Ottawa a couple of weekends ago. They were telling me that there are schools across this province where two weeks ago already, before the end of the school year, their cupboards where they keep their cleaning stuff, the detergents and the solutions, all you can see are the rings on the plywood where the cans used to sit. Is it true that school custodians literally don't have cleaning supplies and didn't as of two weeks ago?

Ms Benedict: Absolutely. That's just indicative of the physical healthiness of our buildings. Our custodians, educational support workers and the secretaries in the school do not have the wherewithal, physical means, to do what they need to do to run our schools.

Mr Kormos: I've been in classrooms, down in Niagara especially with elementary schoolteachers, where teachers are telling me they're buying things like construction paper and crayons, these sorts of things that are part of the curriculum. That's what kids do at the lower levels; it's a part of the curriculum. Is that true, that teachers are buying classroom supplies out of their own pockets?

Ms Benedict: Teachers have always dipped into their own pockets to augment the classroom. That's not uncommon. We did a study three years ago that showed on average it was anyplace from a minimum of \$200 to over \$2,000. But in the last five years we find that teachers are giving up more and more of their personal money just for the basics to run a classroom—not the frills, not the extra incentives, just the basics.

Mr Kormos: Down at Ross Street school in Welland, I think they're holding four fundraisers a year, and they're just happy to raise—in the old days, they used to raise that money for things like class trips for the kids to

come to, let's say, Queen's Park. They tell me that now they're doing these fun fairs to raise money. They're happy raising 200, 300, 400 and 500 bucks to buy things like library books. Are they telling the truth?

Ms Benedict: Absolutely. You'll find parents, communities and teachers continuing to make the system work. If they stop doing those things, the real truth of what the government has done to public education would be out in front for everyone to see.

The Chair: We've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

I've just been informed that the next presenter, the Islamic Society of Niagara, has cancelled. Consequently, we'll take a recess until 11:40.

The committee recessed from 1120 to 1140.

CREEMORE SPRINGS BREWERIES LTD

The Chair: If I can get your attention, we'll bring the meeting back to order.

Our next presentation is from Creemore Springs Breweries Ltd. I would ask the representatives to come forward, please, and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Howard Thompson: My name is Howard Thompson. May I have this chair?

The Chair: Yes. You can sit down, sir.

Mr Thompson: As I mentioned, my name is Howard Thompson and I'm president and chief executive officer of Creemore Springs Brewery. Creemore Springs is a tiny little brewery nestled up in the great little village of Creemore, about an hour and a half north of here. We've been brewing beer in our Main Street location for over 14 years. We employ 42 people, not bad for a little spot in Creemore.

Our sales this year will be about \$10 million, and I'll give you this as just a bit of background. We used to describe ourselves as the second-biggest brewery in Simcoe county, because Molson's had a facility just outside of Barrie. Unfortunately they closed that facility in the last year, so now we're officially the biggest brewery in Simcoe county. On a tour of Molson's one day we calculated that our annual production in our best year, which would be this year, about 30,000 hectolitres, would be the equivalent of about one 14-hour shift at the plant that they closed in Barrie. So we're very small.

I give you that background simply to illustrate that for the 12 years that I've been in this business I've become very familiar with the issues at hand for small businesses—particularly small businesses that exist in very large industries, very large markets, dominated by large players—and wanted to address a couple of what I thought were quite positive issues in the budget regarding small business.

The first is small business taxation. It has come down over the past few years prior to this year, both federally and provincially, which from a small business owner's perspective is quite positive. There's a common misconception that businesses don't pay taxes, and in fact, prior to last year we didn't pay any corporate income tax for the simple reason that any money Creemore Springs made, we dividended out. We took it out of shareholders prior to paying any corporate income tax, simply because that was a much more tax-optimizing strategy.

What then happens is that if there's money for the business in terms of cash flow, that money comes back in in terms of shareholder loans. It's an incredibly inefficient use of capital for two reasons. The first is, it really obscures the balance sheet because there isn't any retained income in the company, so it hurts the owner's equity section of the balance sheet. Second, not all the money will come back in, because it's been taxed, so you're left with less capitalization, an inefficient use of the capital and ultimately less productivity and less opportunity to access debt markets, simply because of the shape of the balance sheet.

That has changed 100% for our business in the last two years because the income tax rates have made more sense from a corporate point of view to retain our income, pay our taxes and then use the cash flow either for business purposes or to distribute to shareholders, as required. I think that's a very positive aspect that has continued in the model this year and in previous models.

Secondly, this government and two previous governments, from all parties, have quite openly supported different tax treatment for small brewers. We've been very fortunate to have had support from all parties and all governments. The biggest tax that was paid by provincial breweries was called the Ontario markup levy. It used to be called ad valorum. Although there was policy in place to support different tax treatment for small breweries, the methodology was so obscure and so unique that in fact it worked against itself. I'll show you that by illustration. I did bring beer, although the bottles are empty. If you pretend for a moment that those two bottles are of equal size, ours being a 500 millilitre bottle and let's pretend it's the same volume for Molson Canadian, there is a tax called the Ontario markup levy which for that bottle of beer would have cost Molson's 50 cents. The calculation-

The Chair: Sorry, can I interrupt? Could you sit down? We can't pick up your conversation without you being close to the microphone. Thank you.

Mr Thompson: Oh, sure. The equivalent calculation for Creemore Springs would have equated 72 cents for this one tax.

Now, there was policy in place to have a different tax treatment. We were allowed to take 66% of that tax because we were a small brewery, which then brought ours to exactly the same as Molson's and Labatt's: 50 cents for that bottle of beer. That only lasted for the first 25,000 hectolitres of beer produced, at which point our tax jumped to 65 cents for the same volume. God forbid we ever were so bold as to simply triple in size, because our tax would have gone back up to that rate on every volume of beer we produced.

The effect on our brewery over the last two years has been that at our current volume, we would pay almost \$100,000 more in tax on the first 30,000 hectolitres produced by either ourselves or one of the larger breweries. If we were to double in size, we'd pay almost \$500,000 more in the same tax.

We've worked on this for a number of years with a number of different governments and we were quite happy to have reported in this latest budget that in fact the ad valorem component of this tax, which actually distributed taxes differently among different breweries, was eliminated. So what we have now is a tax base for all breweries at 50 cents a litre or \$51 per hectolitre, with some differential tax treatment for small breweries which would give us the advantage that has been supported by policy in all governments for the past 12 or 15 years. I think that's worthy of note and a very positive result.

Within the industry I think there are a couple of other issues that should be examined. Last year there was an elimination of something called the LCBO store fee, which was an archaic fee the LCBO charged all brewers, regardless of size, \$105 per beer store, if you can follow that logic. It was an audit tax that was introduced in the 1950s that became irrelevant when they stopped auditing the Brewers Retail activities. That was eliminated last year, which was significant, because it would cost Creemore Springs \$40,000 a year and it would cost Molson \$40,000 a year to be in the same 400 beer stores.

I think the next issue that would be of interest with the LCBO is, being an agency of the government, they report annually increased record profits. However, they charge the brewing industry double the service fees, as does the Brewers Retail—somewhere around \$65 a hectolitre, versus \$34 per hectolitre if we sell our beer through both channels of distribution. That, to a small business owner in a market dominated by large players and dominated by two retail streams, one of which is owned by our competitors and one of which is owned by the very people who regulate us, makes for a difficult retail situation when you've got almost double the margin in one channel versus the other.

Lastly, not related to beer—and like every good Ontarian I like to talk about tax breaks and then ask you to spend more money—this was a report initiated by Premier Harris, I believe, and this should be mandatory reading for every MPP and every staffer in the government federally, provincially, nationally. It's called the Early Years Study. I know that the committee is interested in the education tax credit issues that surround that. For me, I believe three things. I believe that if we invest in the years zero to 3 and provide our educators with students ready to learn who have had ubiquitous access to a good place to play, a good place to grow, nutrition and some balanced living, behaviour, marks and success will start to look after themselves within the education system.

I have two kids. My son, who's just going into grade 2, has been in the public schools for his short career. I'm a product of the public schools. My daughter will go to

Montessori this year. She will then enter public school probably in grade 2 or 3. So I do support tax incentives that provide parents with an opportunity to help manage their kids' education. But I support that within the context that every kid needs a break. I'm quite fortunate in my circumstances that my kids will enter the system with a lot of support, and perhaps the same can't be said about all kids. So in this document I think there's some good advice.

1150

On that theme, there is still really inequitable tax treatment for single-income families versus double-income families. Probably one of the single greatest contributors to early childhood development is that their mom is at home or their father is at home or there are opportunities for the parents to be involved with their children in the early years as well. I will continue to ask my government representatives, both federally and provincially, to look at tax treatment for single-income families differently than they do for dual-income families in terms of the way the taxes are calculated.

That's it for me.

The Chair: Thank you very much. We have three minutes per caucus, and I'll start with the official opposition.

Mr Phillips: Congratulations on your business, by the way. That's terrific.

I'm going to focus a little bit on the tax credit issue. The committee got from the government information on spending on education in Ontario. It actually shows public education going down \$75 million this year over last year. The per pupil spending has been going up, but at less than half the rate of inflation, so real spending per pupil over the last four years has gone down a fair bit. On the other hand, we're dealing with an issue today that will mean, in terms of forgone revenue for Ontario's government, at least \$300 million. That's the minimum there will be in forgone revenue.

I don't know whether you have a point of view or not on whether we would be better to be investing in public education—I agree with you, by the way. Dalton McGuinty, our leader, has put forward a plan of smaller class sizes in junior kindergarten, kindergarten, grades 1 and 2. I realize you're advocating also, importantly, on behalf of younger students. In your judgment, would it be better to be investing that \$300 million in at least making sure that our spending on public education keeps pace with inflation, or are we better to be spending that money on expanding support for private schools?

Mr Thompson: My personal opinion? I think both. I think investment in schools is never unwarranted. I don't understand the budgeting process well enough to know whether it's an either/or. I don't know if the two are mutually exclusive. I do know that as a parent, I spend a tremendous amount of time in my kids' schools. I invest my own money and I'm happy to help with fundraisers, so if that's being matched and increased by the government, that's great. I also think it's a good idea to have parents have some opportunity to manage their

kids' education as well, if they see that's an opportunity for them. We saw something like Montessori as an opportunity for our child this year.

Mr Marchese: Mr Thompson, you are the only deputant so far who has come to speak on issues of taxes or income tax cuts and also speak on other issues connected to education. That's interesting. They usually come here talking about how they want fewer taxes, of course—the government is likely to speak to that—but they don't combine that with their other interests in life. You do, so I appreciate that.

New Democrats support the idea of early childhood education. While we don't start at zero, some of us are talking about the idea of providing funding in the earlier years, from age two to four or five, because we believe that if you want to do prevention and provide young people with the preparation they need to do well in school, that's the time to do it. But I don't support the idea that we then say, "That's good, but we give tax dollars in the form of a tax credit to people who want to send their kids to private schools." I believe in early childhood education strongly, because I think you give kids who come from backgrounds where they're not as lucky to have had an education, to have had money, a better opportunity for education. But I don't think public dollars should be spent for supporting people to have a choice to send them to private schools.

Are you saying yes to early childhood education, but government should support parents wherever they send their children? Or that it should be a public kind of early childhood education that's provided, like JK and SK, but it would be provided in earlier years and be public so that anybody who wants to take advantage of that could?

Mr Thompson: I don't know. I'm not familiar enough with all of the levels of education to answer your question. I think parents probably know best. I think communities probably provide the nest that will support a lot of the good programs in early childhood development, whether it's in a public school system or not. I know there are a number of initiatives in Collingwood for parent drop-ins, parent resource centres etc that accomplish that. Kids are playing. Kids are getting food. Their grandparents are coming in and reading to them. That should generate support from the government. The debate on whether money goes into private schools or not will be fought for a long time. I guess the other side of the coin is that there are kids who have trouble who need to go to special schools too. My cousin is a good example. That costs their parents money and probably was cheaper than the correctional system, and a tax break to help them pull that off was probably a good idea.

Mr Marchese: I agree. But in Toronto we have alternative schools within a public system that deal with children who couldn't cope with large environments, for example, in the high school system. They couldn't cope with a Central Tech that's got 2,400 students, that kind of thing. So you have alternative schools.

But shouldn't it be the job of public education and shouldn't it be the job of government to say some kids

don't function well and they need a different kind of environment? Why couldn't we provide for that within the public system, as opposed to saying, "The school doesn't take care of it. They all have this or that. Therefore, I need to go to a private school and pay whatever money it takes to do that"? Shouldn't it be the job of government to deal with those kinds of questions or problems?

Mr Thompson: I don't think tax breaks make it the goal of government—I think that gives the parents some resources. I don't know. I know that public education looks after the vast majority of students out there and does it well. Like I said, I'm the product of Alberta public education. I also don't mind picking at the edges. I think there's enough in the public education system to warrant some examination and some alternatives.

Mr Spina: I'm going to make my question short. Howard, I hope you'll give me a short answer as well so my colleague can talk to you about the early childhood stuff you brought forward.

I agree with Mr Marchese. Thank you, because it's a good two-sided approach to the overall budget.

As the parliamentary assistant to the minister in charge, I had a presentation recently from Brewers Retail and they brought out some of these inequitable tax calculations that are so convoluted. What I want to ask you, pretty simply, is, if you had a recommendation as to how this could be simplified and be equitable, what would it be?

Mr Thompson: I think the resolution with the markup levy is it. You pick a flat tax, everybody pays it, and if you have government policy that supports small industry, then it works within that tax structure. It does now and it's quite simple now; we haven't had the remittance forms back from the LCBO yet. Within the retail channel, I don't know. If the LCBO is reporting record profits, there is no brewery that is making the difference between \$65 and \$34 per hectolitre. There is not a brewery in the province that would make \$35 a hectolitre, so it's hard for me to imagine that's what it costs the LCBO to provide that level of service. They do a great job; they sell lots of beer for us, but that probably would be the next thing to take a look at, the fee structure within the LCBO.

The Chair: Ms Molinari, you have one minute. Better make it quick.

Mrs Molinari: Thank you very much for your presentation and the comprehensive way in which you've highlighted some of the things that affect your business. Tax cuts certainly help in the way of promoting businesses and assisting in whatever way for you to flourish more.

I just want to comment on your points that spending more money or every bit of money on every kid zero to three is absolutely correct, and certainly as the government we believe that has to be investment. We have the Early Years challenge fund, which goes specifically to address some of the younger groups.

As parliamentary assistant to the Minister of Community and Social Services and minister responsible for children, I recently made a presentation to the Easter Seal Society, which has come up with a wonderful plan on how to address some of the birth disabilities that come up. They've discovered that the lack of folic acid in a mother's diet causes certain birth defects. So they're doing a whole campaign to make mothers aware of it and the importance of having certain foods in their diet so that when they do give birth some of the disabilities and things that we now are challenged with can be prevented. I thank you for recognizing that that's also something that's very crucial and want you to know that as a government we agree with that and we are making steps toward that.

The Chair: With that we've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

1200

TORONTO DISTRICT SCHOOL BOARD SUPERVISED ALTERNATIVE LEARNING CENTRE

The Chair: Our next presentation is from the Toronto District School Board Supervised Alternative Learning Centre. I would ask the representatives to come forward, please, and state your names for the record. On behalf of the committee, welcome, and you have 20 minutes for your presentation.

Ms Katherine Mitchell: My name is Katherine Mitchell.

Mr Brad Topping: I'm Brad Topping.

Ms Mitchell: Fortunately, the gentleman in front of us kind of did our introduction for us. I thought it was two hours; I was mistaken. It's 20 minutes, so I'll have to speed things up. I could talk for two hours; I won't.

I want to say, by way of introduction, that we're not here as a special-interest lobby group. Although we're teachers, we're here as parents who both have had children through the alternative school system in the old Toronto board and who have worked in alternative programming for more years than I'm going to put on record. We worked—and I have worked—entirely in Ontario with at-risk students, at risk in a variety of ways.

I think it's a mistake to take money from the public education system. I think we need to improve it. I think we need to at least get it back to where it used to be. In my experience, we've had a steady decline in funding and in program choice in the boards in which I've worked. Particularly, four years ago I worked in a program for teen mothers. We talked about folic acid. We worked with them pre- and post-natal in a treatment program. It was attached to a treatment centre—section 19 it was at that time—and the funding for this program was cut with a cavalier comment that pregnant girls can go to regular high school. You have a problem keeping your numbers up with pregnant girls. They tend to drop out from time to time to have their babies. They also tend

to come back and are then in a position to have a series of needs addressed: early childhood, zero to three, zero to six, their own personal needs, their future education and so on.

At the present time, I work in the supervised alternative learning program. This is also a program for at-risk kids of a slightly, but not always, different nature. I'm going to let Brad talk about that.

Mr Topping: We plan to go back and forth as we present, and I think our comments will probably be briefer than some of the previous presenters, but we just wanted to have you hear our voice at least.

The last 20 out of my 30 years of a teacher I've been working at a location called the supervised alternative learning centre, which comes under the umbrella of the supervised alternative learning for excused pupils program. This is a program mandated by the province of Ontario through the Education Act, regulation 308 to be precise, and all boards are required to provide a supervised alternative learning for excused pupils program. I have attached the wheat-coloured sheets, which actually give you the regulations so that you could perhaps refer to them at your leisure.

Needless to say, as I said, every board in the province is required to provide this service. It's also noteworthy I think for this committee that this program is not funded directly by the province or the Ministry of Education. In fact, I think there's an expectation, if I were to interpret it, that the boards are required to provide this program without any additional funding. If you will, it's sloughed off the rest of the board's budget. It's not a special-ed program, even though about a quarter of our students are special ed. We do not receive any additional funding directed to our program, nor does any other board.

My point is there's been no audit, if you look more generally, to determine whether the public education system and programs like mine are adequately funded. I wonder who other than certain politicians might claim the public system is adequately funded.

My program is one that may not survive the reduction in funding, despite its mandate by the Education Act. I doubt this committee and these hearings will have any effect on the continued service I've been proud to associate myself with over the past number of years. I am but one voice that expresses a plea for those students and parents who generally don't show up at meetings like this, I would expect. I just want for their voices to be heard, perhaps through Katherine and I.

Ms Mitchell: I feel, and I said in the written statement, it's very hard when I had to condense this into a written statement to say what I wanted to say in two hours. But I don't want to see students punished because they don't fit the system. I want to see continued that history of alternative programming, particularly in the boards where I've worked but available in other areas of the province, that allows parents a choice in the public system of a better fit for their child.

I want to put one face on the pupils we're talking about. A girl started having attendance difficulties in

grade 7. Until then, she'd been a good student. The attendance difficulties were addressed by an attendance counsellor, by children's aid, and continued into her first year of high school, which was this year, to the point where she missed the first three weeks of school. She wasn't able to make the transition to high school. It wasn't skills; it was an emotional difficulty within the family. She came into our program early in the year and of course I want to talk about a success story. She, with the support of two teachers and a child and youth worker, was able to complete seven credits and is returning to her home school in September to continue her education in a much healthier frame of mind emotionally as well. It was a chance for her to step out, work at her own pace and address some of those internal issues that didn't allow her to be successful.

That's our success story. For that success story we have probably 11 or 12 students who will never be able to return to the public system. Either they're so far behind or their needs are so great they will not survive in a regular high school where they're held to the programming. For that we're eternally grateful that alternative programming still exists. With the amalgamation of the boards—we're kind on the other side of the Humber River—we've been able to access some of the downtown programs, which have had the most developed alternative programs, although we work in a building with a program for over 16-year-olds which is similar to ours, but these kids are no longer mandated to attend school.

That program I'm very concerned for. They're not mandated under the Education Act. They exist because the board has managed to fund that program. We have at least 11 students who are going to attend that program, some of whom have decided that's the way they can learn. They can learn, working independently at their own pace, in a supportive environment but not in a big school. We felt it was important, whether or not or however this gets heard, to speak for the students who deserve to be able to continue in the public system with the supports they need, whose parents can't afford to take them out, however big the tax credit, and put them in a private school that's probably not appropriate for their needs anyway.

I don't want to lose any more than we've lost in the public system. It was good; it can be good again. That's where I want the money to go.

Mr Topping: Just to change slightly into a more generalized statement that may have nothing to do with alternative education per se, I think sometimes being an alternative teacher one doesn't necessarily think the way certain other people may, and I guess we pride ourselves in being somewhat unique in that way. One of the things that comes to mind is perhaps there is a solution to this in terms of funding of private schools. One thought, as naïve as it might be, is to somehow match or balance your new investment in the private system with new investment in the public system.

1210

Again, I'm quite naïve in terms of funding, never mind politics, but I thought perhaps that's a direction that might be worth investigating. What I teach my students who are studying algebra is that whatever you add to one side of an equation you should also add to the other in order for the equation to remain balanced. If you choose to maintain balance, you will consider this as an option.

A second point for your consideration, again more generically: assume a parent who receives a tax rebate for \$3,500 decides to donate it to the private school of his choice. Aren't we—you potentially—doubling the disparity or the funds available between the two systems in that particular case? What public school supporters would have this sudden influx of money with which to support the public system? I can only suggest that this intrusion investment in the private system will at least really complicate the natural market system. What policies are proposed to safeguard the public system should the entire system get out of whack? What safeguards are proposed that will protect the private school supporters from being gouged? What safeguards at all?

The Chair: That completes your presentation? Thank you. We have three minutes per caucus.

Mr Marchese: Thank you both for the presentation. The reason we were able to provide for alternate schools in the old Toronto system was because we had a tax base that we could draw on that gave us—I say "us" because I was there for a long time as a trustee—the flexibility to be able to respond to the different needs, because centrally, now that it's taken over by this government, we're losing sight of those needs and saying, "You either get the good help or, if you don't get it, it's too bad." The alternative schools were a way to respond to those different needs.

I haven't kept in as close touch with the alternative schools as I would like, but they're in danger now, all of them, of not surviving because the board was able to put additional resources to those alternative schools to make them work. Without that, they'll disappear and so they will be in trouble. They will be on their own, because there won't be any additional help to keep those students in those school settings. Is that not the case? Is that not what's happening in some of those alternative schools?

Ms Mitchell: Exactly.

Mr Topping: Exactly, and certainly additional resources are a requirement for the high-needs students.

Mr Marchese: This government argues, even though it didn't argue this before, which includes the Premier and M^{me} Ecker, that now people should be given that choice, "Why don't we trust parents to make that choice?" They ought to have the choice to send kids to a private school, a non-denominational one, the Upper Canada College type—and by the way, no one has come to present from that sector because I think they are a bit nervous—

Mr Spina: Montessori came.

Mr Marchese: She was here yesterday. The Montessori person was here, you're quite right and a lot of different—but the Upper Canada ones, the ones who—

Interjection.

Mr Marchese: Oh, they don't matter? So those people are not here, and they argue that the other people who want to make a choice to send their kids to a religious school, or not religious, should have help from government so they could have that choice.

We had one teacher here yesterday who said their ratio was 1:15. I said, "My God, which parent wouldn't want such a choice for their kid?" We don't have that in the public system, but we're giving people money so that they can have that ratio in that private school—God bless. That's what they're advocating. They're saying people should have that choice and shouldn't we support it with money? What is the response to that?

Mr Topping: We have 77 students, two teachers.

The Chair: The government side.

Mrs Molinari: Thank you very much for your presentation. I'm familiar with the supervised alternative learning for excused pupils program. In my former job, I was a school trustee and chair of a board. I also served on the SALEP committee as a parent and so I'm quite knowledgeable of the work that SALEP does to address some of the at-risk students who are in the system. You've indicated in your presentation that although it's a mandated program, the government doesn't directly fund this program.

Special education is funded in a number of ways through the grants that are given to the schools. One very specific grant that provides for special education is the SEPPA grant. That's the special education per pupil amount that goes to each individual board. It's an amount for every student who is enrolled in the school. Then there are other special-ed grants, the ISA grant and the various one, two and three, depending on those that are identified in the various areas. So these students receive the services through the school board as a mandated program and it's all within the special education funding that the boards get.

You may argue that it's not enough, and certainly we hear those arguments often from people coming forward, and that the education funding is not enough and that we need to put more. We are increasing funding in education. There are various pressures there, but it's been consistently increasing since 1995. Certainly it's incumbent upon the boards to be able to distribute the funding that they get to the students which they serve.

As a mandated program, I can speak on the direct result that it had with the York Catholic board, that it was very successful in being able to serve some of these students who would at times come back. They would go into a supervised program for a period of time and then the intent, at least my intent as a mother and as a trustee, was always having them come back and continue their education. But they have different learning styles, and it's a wonderful program.

In your presentation you talked about the small alternative program that served adolescents 14 and 15 years old, and this is also provided within the general funding in the alternative school. May I ask, I don't know if you've mentioned, what board that's with? What board is that with?

Mr Topping: The former Etobicoke board. It's the Toronto District School Board now.

Mrs Molinari: Is that program still up there?

Mr Topping: Yes. In fact there are a number of programs across the city.

Mr Phillips: I think it's unfortunate the government didn't ask our witnesses a question and give you a chance to express your view.

I would just say, on the funding side the government provided the numbers here: \$75 million less this year than last year; the government's own numbers. It shows per pupil spending up at half the rate of inflation over the last five years.

When the rest of the world is investing in education, we're not even keeping pace with inflation. We're starving public education. But the government said they've got at least \$300 million to provide funding for private schools. It was just two years ago they argued, by the way, strenuously against it and said, "It would result in increased public school closings and the reduction of the range of programs and services a public system can afford to offer." That's what they said two years ago.

My question is this: in terms of providing for the needs of some of our most deserving, is the government's approach now, spending at least \$300 million on private schools, the right approach, or would we be better to be investing in at least trying to keep pace with inflation for our public schools?

Mr Topping: If I could answer this way, I remember I was a teacher when Bill Davis made his announcement for the separate boards, and we weren't going through the same consternation about funding for each child as we are now. So my answer is, the time is not right, if at all, to do this. I do believe it will on the backs of these kids, all of whom are deserving, to be honest, in my opinion.

We see the most disadvantaged who, you might argue, are less deserving or more deserving. Frankly I think what we see, and we're talking about success rates, is 90% of our students return to school. That's why the boards invest in us, because we bring kids back in much better shape than they were beforehand, usually because they are emotionally in better shape, educationally they've been upgraded in their skills, and their self-esteem has been built because of their successes.

We are not funded and even though a small percentage of our students are special-ed students, that funding doesn't come directly to us and it's only a percentage of our students. Many SAL programs do not accept special-ed students into them because they have been given much support along the way.

So my answer is I do not support the government at this point spending money toward private schools. I think it's far too risky and it'll be on our backs and on the backs of the students that we serve.

The Chair: With that, we've run out of time. On behalf of the committee, thank you very much for your presentation this morning.

This committee will recess until 4 o'clock this after-

The committee recessed from 1220 to 1606.

ONTARIO FEDERATION OF LABOUR CANADIAN UNION OF PUBLIC EMPLOYEES

The Chair: I'll bring the committee back to order. It's slightly after 4 o'clock. I know your agenda may only show our first presentation this afternoon as the Ontario Federation of Labour, but the Canadian Union of Public Employees is also included. I would ask the presenters to come forward and state your names for the record, please. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Ms Irene Harris: Good afternoon. My name is Irene Harris. I'm the executive vice-president of the Ontario Federation of Labour. With me is Brian O'Keefe, who is the secretary-treasurer of CUPE Ontario. I'm going to start with some comments and then Brian will also be adding comments as part of our overall delegation.

I'm here today representing the 600,000 men and women affiliated with the Ontario Federation of Labour, many of whom are parents and grandparents with schoolaged children. On their behalf I want to express our opposition to Bill 45, the Responsible Choices for Growth and Accountability Act.

The OFL is opposed to the use of public tax dollars to fund private schools. The government estimates that the tax credit will cost at least \$300 million per year, but we note that that is premised on no growth in private school enrolment. This \$300 million is a huge loss to our public education system. It is \$300 million that will not go to improve our public school system. It is \$300 million that will not go into better libraries, smaller class sizes or cleaner and safer schools. It is \$300 million that will not go to programs to help our children develop their talents. It is \$300 million that will not go to help children with special needs. It is \$300 million that will come out of our pockets as taxpayers and will ensure that the majority of children in the province have less opportunity than they had before.

The next issue I want to speak to is justification for this legislation, which we believe the government has not given. We just want to comment on one point. We note that the UN ruling on school funding in Ontario seems to be Premier Harris's favourite justification for introducing this tax credit. I find it interesting that the Premier is so concerned with the UN position on this issue but feels free to violate other UN covenants at will. For example, Bill 22, Ontario's workfare legislation, was cited by the UN as a violation of international law to which Canada is a signatory. In December 1998, Bill 22 was found to be a

violation of the International Covenant on Economic, Social and Cultural Rights, yet I have not heard the Premier make any plans to correct that injustice.

The next issue is one of accountability. Private schools in this province are not subject to the same standards as public schools. They are not required to participate in standardized testing, hire qualified teachers with valid Ontario teachers' certificates, adhere to standard curriculum or report their finances to the government. All that is required to open a private school is \$250 and a simple application form. Private schools are also permitted to discriminate both in their hiring practices and in the choice of which students they accept. The Premier has tried to suggest that anti-discriminatory laws will prevent such discrimination, but we note that section 18 of the Human Rights Code specifically exempts religious and educational institutions from having to admit students and hire teachers on a totally non-discriminatory basis.

This government has shown its true agenda by introducing these tax credits. That agenda is to increasingly privatize the education system in this province. The government has starved school boards into contracting out and public-private partnerships. It has caused chaos in the system through its funding formula and school board restructuring, not to mention the hasty and underresourced new curriculum, standardized tests and new report cards. It has consistently hammered education workers throughout the system, causing an all-time low in staff morale and an all-time high in labour unrest.

Now the Premier and the finance minister introduce tax breaks to divert tax dollars from the public system into private schools. First they give parents reason to want to leave the public system, and now they provide them with the means to do so. We know where this path will lead. It will lead us to a two-tier education system: one for the wealthy and an inferior one for the rest of us. This latest move will have a spiralling effect as resources and teachers move out of the public system and into private institutions. Kids from poor and working-class backgrounds will be left behind in an increasingly neglected system. This proposal was not part of the Tory election campaign and in fact both Premier Harris and Education Minister Janet Ecker have previously spoken out against introducing a voucher system. And these tax credits are just that: a first step toward a voucher system for education in Ontario.

I just want to say a few words about these hearings that you're holding. I'm glad to see that the other members were able to be here. In Ontario we have not been afforded the basic democratic right for people to have real, meaningful input on this important issue. We were offered last-minute hearings in five cities, which the government euphemistically refers to as "public consultation." We understand that there are at least 800 individuals and organizations applying to fill roughly 130 spots, which were given away by this government to special-interest groups supportive of the legislation in a ratio far exceeding their actual numbers. We are here today because we believe that in democracy there's always a

chance that there will be someone listening to what we have to say, but we have our doubts, given the way these hearings were rushed so quickly in their organization, the way people were allocated their positions, and a real concern that on such a major piece of legislation this government has the gall to only go to the few cities in the few days they've given on this kind of issue on such a major thing, such a major structural change in the education system that's going to be made today if this tax credit scheme goes ahead.

In conclusion, we urge you to put the future welfare of students and our public education system ahead of your ideology of privatization at any cost. Don't destroy a quality education system for all citizens for the sake of a tax break for a few. Scrap the tax credits and start putting the money back into our public education for the sake of our students and our future. It's our future that's absolutely critical. If this kind of stuff continues to go on, we will soon not have a public education system and there will be many in the future to answer to future generations for that.

I'll now turn it over to Brian O'Keefe, who's going to add some more comments.

Mr Brian O'Keefe: I want to pick up where Irene left off on the consultation issue. My union represents 45,000 members in the school board sector. We represent most of the support staff both within and outside the classroom. We take real exception to the fact that we did not receive a spot in these hearings. My office had to scramble in order to try and get a spot. We were in touch with the clerk's office on numerous occasions and our entire administration was tied up in knots over the situation. We find that quite unacceptable. We're forced into a situation where we have to share a spot with the Ontario Federation of Labour, and I think that's really regrettable.

The point that Irene made about the fact that this is a major legislative change—in fact it dramatically orders the entire public education system in this province, and to think that you would only allow one and a half weeks of hearings for an issue as important as this I think says something about the attitude to democracy in this province. Certainly the hearings that are going on here are a travesty in relation to the way issues like this were previously dealt with in this Legislature. I think this is an unfortunate historical development, and this government has a lot to answer for regarding the way these hearings are being conducted. That's the first point I want to make.

The second point I want to make is that there is an appalling underfunding in public education right now. Our figures are that somewhere in the vicinity of \$2 billion has been taken out of the education system. There's chaos out there. There are problems with special education, with libraries, with all sorts of other support services, with heritage languages—all those support services that are so important to a quality, diverse public education system.

To think that you would consider introducing a tax credit for private or independent education at this point in time is unacceptable. It's hard to believe that this would be done in the light of the remarks that were previously made by the Premier on this issue.

We have no objection to independent schools and to private schools, but we are vehemently opposed to using tax dollars to support that. The education system of this province was built up over many, many years, and there's a huge amount of choice within the system. If you want diversity and multiculturalism in our education system, the best way to do it is through our public education system. We have a very diverse population in this province right now, particularly in the GTA, and it's really important for the integration of our society to have these people together in the same schools. This is a very negative development, and I think we're going to have to answer for it down the road.

I really want to address the opinion poll that was conducted by my union and by the Ontario Secondary School Teachers' Federation, which showed that 67% of the population are totally opposed to this sort of development. But I think the figure that was most interesting in that poll was the number of parents who indicated that they would consider pulling their children out of the public education system with this tax credit, and that figure was as high as 15%. Irene mentioned a figure of \$300 million as a cost to the taxpayers for this initiative, but that is a best-case scenario. Based on the figures in the poll that we did, the indications are that if it's 15%, we're talking about something pretty near \$1 billion, if those 15% of parents in this province were to pick up on this initiative. So this is destructive, it's going to affect our public education system in the worst possible way, and I urge you very, very strongly not to pursue this initiative and to withdraw it.

The Chair: Thank you very much. We have approximately a minute and a half per caucus, and I'll start with the government side.

Mr Galt: Thank you for your presentation. I appreciate your concerns.

I'd like to spend just a minute—you talk about the \$300 million, the possible extreme that it may cost, and you also say that's with present numbers, that if it's increased, it's going to go up. But the experience we've had with other tax cuts is that they've stimulated the economy, put dollars back into the system. This is a not a voucher system where you collect the tax dollars, take it and then spend it as you would in the public service. This is leaving it in the hands of the parents to give them a bit of a tax break when it comes to sending their children and certainly from what we're seeing with the kind of revenue that's come in to the province of Ontario with the tax cuts, they've been tremendously successful in stimulating revenues. So it is not \$300 million that is lost from the system. If it was based on assessment, on residence or something like that, then I could understand your concern, but this a very fluid elasticity of demand and supply and changes.

The other one I wanted—

Ms Harris: Is there a question there? **The Chair:** You've got 30 seconds left.

Mr Galt: In connection with the consultation you talked about, I just want to point out to you that in our first term we had 798 hours of consultation with committee, the Liberals had 349 hours and the NDP had 645 hours. What they asked for in the House—the NDP asked for 80 days; that's about what they had in total for their consultation. That's what they asked for on this bill.

The Chair: With that, Mr Galt, we've run out of time.

Mr O'Keefe: I'd like to respond to that.

The Chair: No. I'll go to the official opposition.

Ms Harris: Sir, do we get to answer?

Mr O'Keefe: Do we get a chance to respond to that **The Chair:** I'm sorry, we've run out of time. I'll go to Mr Phillips.

Ms Harris: But how does that—

Mr O'Keefe: What sort of consultation—

The Chair: I'm sorry. I've got a minute and a half for each caucus. They were warned. I'm going to go to Mr Phillips.

1620

Mr Phillips: It's tragic. The OFL and CUPE are two well-regarded organizations, and I value your input. You research things well.

I just want to say, among other things, I wish we had more time. This is the government's brief to the United Nations arguing against extending funding to private schools. They use strong language in this. They say, and I'll read this, "If public funding were provided for private schools established for the purpose of meeting specific religious needs, it is difficult to see why public funding would not also be provided to private schools established to provide other specific needs of language, or ethnicity or culture. This would have an adverse effect on the viability of the public school system, which would become the system serving students not found admissible by any other system. The benefits which society now derives from a public school system would be reduced. Such potential fragmentation of the school system is an expensive and debilitating structure for society." There's page after page of this.

As CUPE, because you're very close to the educational community, have you any evidence of why the government has suddenly changed its mind and gone in exactly the opposite direction than they argued strenuously two years ago?

Mr O'Keefe: Can I answer that?

The Chair: You've got your time. Everybody's got a minute and a half, sir. You can reply, and if you don't reply, I'll have to go to Mr Marchese.

Mr O'Keefe: We've got a minute and a half to reply?

The Chair: No, no, you can reply.

Mr O'Keefe: It's absolutely outrageous that the government at the time of the last election and in the remarks around the UN situation said quite clearly they were totally opposed to this situation, and here we've got a

massive flip-flop. You're absolutely right: I agree with everything you said.

Mr Marchese: I appreciate the presentation. Of course, everybody's been saying these things that you've been telling us. There is a chorus of people saying the same stuff, and they continue to deny it. So it's, we say this, they say that. That's the extent of these hearings, basically. You say there is \$2 billion in cuts. You have Galt, there—he's a happy, cheerful guy—all the time saying, "No, that's not true. We poured in millions and millions." It's not just M. Galt saying it; they're all saying it, and it's getting tedious. We need aspirins here to survive it.

The problem is the philosophical shift. Not only will money be lost out of the public system—I believe that sincerely. Your poll shows that there will be a pickup, and it's close to 15% saying that they're likely to take this thing on, because it's a tax credit. It's an incentive, right? But it's the philosophical direction that scares me. They're now saying that it's OK to give money to people to send kids to private schools: religious schools or private non-denominational. It's not a problem: "Please don't worry. It's not a big deal. It won't affect anybody. It's great for diversity." Multiculturalism is now their new line. That's basically it. You can respond to me and then maybe respond to what they had said as well in your time.

Ms Harris: Just on the tax credit point, there are a lot of economists who'd say that has not stimulated the economy. I don't see how it's going to stimulate the economy when you're just taking the same money out of the public system and moving it over here to the private school. I think it falls in line with that philosophical shift. We've seen it in health care and now we see it in education. They want not to be providing public services and they want to give it to their friends in the private sector. It's just a business deal for their friends in the private sector, is what we can see.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

ALLISTON COMMUNITY CHRISTIAN SCHOOL

The Chair: Our next presentation is from the Alliston Community Christian School. I would ask the presenter to come forward and state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation.

Mr Garry Zondervan: Thank you. My name is Garry Zondervan. I'm from the Alliston Community Christian School in Alliston, Ontario, which is just west of Barrie. I'm a parent of four children and my children attend the Alliston Community Christian School, also known as ACCS. I've taught for many years as a certified teacher in Christian independent schools, and I'm currently the principal at this school.

I come today not because it's easy for me to be here, for I am somewhat out of my comfort zone, but because

it's the right thing to do. One of the greatest joys I have as an educator is to see students move beyond their comfort zone, spurred on by words of encouragement and instilled trust for success in order to accomplish things that they once never thought possible. I must therefore lead by example.

I continue the fair funding campaign for independent schools that my forefathers began several decades ago. I speak primarily for my four biological children, for the 100 students at my school and their parents. I thank and support the Ontario Alliance of Christian Schools for their time and energy for lobbying on our behalf and I also thank the PEC organization for their time and energy.

Children in independent schools are people too and deserve government support as other children do in our province. I am here to discuss school choice and empowering parents as the people best suited to make those choices for their children. That is the issue.

The current situation: I begin with thanking the PC government for your party's initiative in creating a tax credit for supporters of independent school supporters. Thank you Mike Harris, Jim Flaherty, Jim Wilson, my local MPP, and all other MPPs in the party. Congratulations on doing the right thing.

Despite what certain groups are saying, the vast majority of people like me who support an independent school are not to be counted among the wealthy and the elite mentioned in the press. Approximately 80% of parents choosing independent schools do so for religious, cultural or pedagogical reasons. We are honest, hardworking citizens of Ontario who simply cannot find what we need educationally in the public schools. We will continue to pay taxes toward the public system, and are glad to get a little financial relief in regards to what we pay towards the school our children attend. The tax credit will give our hard-working parents a little breathing space for the short period of time that their children are in school.

Our support for the tax credit can be summarized in three statements: All students who receive a good education deserve government support, and we are glad that the government recognizes the value of our children's education. Secondly, parental choice is a good thing, especially for low-to-middle socio-economic families; choice encourages parental involvement. Third, maintaining a strong commitment to a quality education system is also a good thing. This budget announced addresses all three of these things.

The Alliston Community Christian School is an independent elementary school from JK to grade 8. It's been offering Christian education in its community for about 20 years. It's a member of the Ontario Alliance of Christian Schools.

This school is comprised of 100 students of both genders, from the challenged to the enriched. We have 11 full-time and part-time staff. All staff are certified. We have always, and will continue to, adhered to the Human Rights Code in the hiring process. Our teachers are hard-

working and are actively and willingly involved in extra and co-curricular activities. They do a great job for little pay.

Our goal in education is to make good citizens. Our curriculum meets and/or exceeds ministry standards. Our students have scored consistently high, above average, on the Canada test of basic skills. We accept all students, even those with challenges, provided we can meet their needs. We have recently received health care funding, so this will only improve in the future. Our graduates are fully prepared to meet the challenges of secondary education.

Why do we send our children to independent schools? Empowering parental involvement and choice is a good thing. The one-size-fits-all approach of the public system cannot fit everyone. The approach is too ideal; it does not coincide with the diversity and freedom of which Ontario boasts. A monolithic single system of education does not serve democracy. Democracy is about diversity, not making everyone conform. Tolerance is about enabling good citizens to participate in a democratic society. The tax credit is one step toward that goal.

Parents must be trusted to choose the education that best serves their children, no matter what that choice may be. Why is it that parents are choosing girls-only math and science programs for their daughters? Why do parents choose French immersion or alternative discipline or arts-based schools? Because they don't want their kids with other kids? Definitely not. The reason is that the education we choose for our children is the best fit possible. Others get a good fit and it's publicly funded. Our choice, which is equivalent to the variety offered publicly, is available to us but with a substantial financial penalty. The tax credit addresses this inequity.

Accepting all parents' educational choices is an idea which will require tolerance on the part of the general public. We don't expect the general public to agree with our choice, but accept it they must. Parents know what is best for their child. We accept other parents' rights to send their children to public and separate schools. We may not agree with their choices but accept them we must. The tolerant and democratic response would be for our choice to be honoured in the same manner.

1630

I have several examples of families from our school that demonstrate the need and benefits of parental choice. The first one is David. He came from the public school system and into our independent school system. He was being picked on by gangs, had very low self-esteem and didn't feel really good about living. His parents looked for an alternative and found our school.

David graduated last year from grade 8 feeling very good about himself, feeling protected and feeling that he could accomplish great things. I can remember a field day. He was always mocked about his inability to do sports. He was afraid to participate; in fact, he received a note from his parents that David should not participate in field day. I challenged David. I said, "What is your fear?

All we expect is to do the best of your ability," and David said, "At the last school I went to they picked on me. They made fun of me. I'm not that good at sports." "You don't have to be good. Just do your best." David regained some confidence. I said, "If anyone teases you, I will deal with them."

He went and he accomplished that he never accomplished before: he went out of his comfort zone. He trusted me and trusted that he could accomplish something. He ran the race; in fact, he came first in his heat. The students around him were just elated that he could accomplish something that no one thought he could do, that he himself thought he could not do. This is one example of how parental choice has benefited a child who would have been lost in another school system.

Jeff ran away from school two weeks before the close. He was shutting down—he has learning disabilities—and he didn't want to go to school. He hated school. His parents found our school. Not that we are heaven, but we offered an alternative, a better fit for their child. Jeff now has made tremendous progress. His parents, in order to afford this education, have sold their country home and moved to town, into a small home so that they could afford tuition.

Ryan came to our school in grade 2. He wasn't fitting in with the crowd, his classmates, either. He had a short attention span and people were picking on him. He hated school; very low self-esteem. His mother spoke last night at a membership meeting about how our school has been a tremendous blessing to their family. Ryan is ready to graduate this year, fully confident, feeling good about himself that he now can accept going on to secondary education.

There are numerous children in our school with the same stories. The primary reason, however, why parents send their children to our school, a Christian independent school, is the Christian faith, which adheres to biblical morals and principles. It's integrated in all aspects of learning. The integration of faith goes well beyond teaching the Bible as a subject. Our religion is not compartmentalized but permeates everything we think and do. It defines what is truth, what is of value and our reason for existing. Sending our children to a school that does not endorse and promote the same morals and beliefs as the Christian home I believe will only bring confusion to the child. In sending our children to a Christian school, we are receiving an added value not available in the public system.

Are we segregating and promoting children of intolerance? Absolutely not. Studies show that children who are secure in their culture and traditions are more tolerant. Tolerance is a religious idea in the first place, and we continue to pass that on to our children. Our schools are just as diverse as any other segment of society.

Some families cannot find what they need in public education. Public schools cannot be everything to everyone.

The benefits of the tax credit: tuition in our school only covers 80% of the operational budget. That means parents are actively engaged in fundraising efforts all year around to come up with the extra funds required to balance the budget. We are often nickelling and diming our members to death with petty fundraisers, which is emotionally and financially draining. The tax credit will bring financial and emotional relief to our parents. This too will boost morale.

Since our school is parent-operated, the tax credit would also give our parents renewed energy and time to concentrate on progressing with quality Christian education rather than on efforts to raise money to make it all happen.

The tax credit will help us better provide for the needs of all our students, from the challenged to the enriched, not to mention some of the basic needs such as textbooks, desks and computers.

Some people see the proposed tax credit as taking away from the public system. This is not true. I understand that the credits come out of a different budget. If there is a genuine concern about funding for the public system, that should be addressed, but this is really a separate issue from the question of fairness and choice that this hearing involves.

Will there be a mass exodus into the independent schools? In other jurisdictions, 10% of students go to the independent schools and most of them are there already. For the most part, parents who are committed and serious about independent schools and Christian education are already sending their children to these schools. If it is not affordable, most schools, including ours, have a tuition assistance fund that assists families who desire independent education for their children but do not have sufficient income to pay full tuition.

A few comments to the parties in opposition: the Liberals and NDP have not been responsive to our requests over 50 years. Those opposed to the tax credit have been mostly unions and school boards, which seems somewhat self-serving; ie, no parents of public school kids? Those who are speaking in favour for the most part are parents, principals and volunteer board members.

The government's commitment to the publicly funded systems will benefit all of Ontario. If critics are looking for enemies to the public schools, they will not find them in the ranks of independent school supporters. Parents whose children attend independent schools have gladly submitted and will gladly continue to submit their taxes to these systems, believing that high-quality education is the goal for all students in Ontario. By paying taxes we give to the common good of this province. Empowering parents' choices for independent schools by way of a tax credit will also serve the common good.

The question my grade 7 and 8 students posed as I talked to them about how I was coming here was: "What would happen if our students in independent schools should show up tomorrow at the doorstep of public schools or Catholic schools? Would it cost the government about \$600 million to provide education for these

kids?" The tax credit would only cost approximately \$300 million, one half of the cost to educate one child.

I expect that you will do the right thing. Turn from your opposing views and support the PC government for the benefit of all children, including children in independent schools, for the common good for all Ontarians.

My last comments are to the PC government: this move by the government is about empowering choice. It is about trusting parents. It is about a government that is willing to do the right thing. It is about ending injustice in Ontario for public good.

Thank you for listening to our request for justice. This move has taken courage and we applaud you for it.

The Chair: Thank you very much. We have two minutes per caucus, and I'll start with the official opposition.

Mr Phillips: Thank you for your presentation and your obvious passion about the issue. I go back to what the Conservative government said about this issue, because it's their words. You probably have had a chance to read the submission they made to the United Nations two years ago when they were arguing against extending funding. I'll read a couple of paragraphs just to get your response to why they were worried about that then and why we shouldn't be concerned about it now. This is just an example:

"One of the strengths of a public system of education in a province and a country which are committed to a policy of multiculturalism is that it provides a venue where people of all colours, races, national and ethnic origins, and religions interact and try to come to terms with one another's differences. Such a process is not without its problems and frictions, but the fact that the public school must deal with the varied needs and interests of the total population makes it a valuable institution for the creation of better understanding among the various groups. In this way, the public schools build social cohesion, tolerance and understanding.

It goes on to say, "... if public funding were provided for private schools established for the purpose of meeting specific religious needs, it is difficult to see why public funding would not also be provided to private schools established to provide other specific needs of language, or ethnicity, or culture. This would have an adverse effect on the viability of the public school system, which would become the system serving students not found admissible by any other system. The benefits which society now derives from a public school system would be reduced. Such potential fragmentation of the school system is an expensive and debilitating structure for society."

Again, those were the Harris government's words about why, two years ago, they felt it would be wrong to proceed this way. Can you help us a little bit in terms of why that shouldn't be a concern today if it was a concern two years ago?

Mr Zondervan: I don't personally see it as a concern. Children deserve and have a right to education—all children in our province—and governments will perhaps change their mind on issues as they become more in-

formed, as they deal with and see and hear from people like ourselves speaking out on behalf of our children and our society. I really believe that they are doing the right thing for our children.

1640

Mr Marchese: Mr Zondervan, I have no doubt that you are honest and hard-working and that the community you represent, most of them, are probably not rich. I believe you. That's not the problem.

New Democrats are opposed to public dollars for private schools whether they are religious or not. There is no doubt in my mind that with the non-denominational ones by and large—because there are some exceptions—like Upper Canada, the people who send their kids there are rich people. If they can afford to pay \$16,000 to send their kid there, I think they're pretty well off. If they bunk down there, if they sleep there, it's \$28,000. It's a whole lot of money for people. If you can afford that, you're doing well. They're rich. But I suspect most of you who send the kids to religious schools are not. I accept that, but we don't support public dollars for religious schools in that way.

I tell you, I worry when I read things that are written in the Nexus publication, where they say, "The Christian sees the world differently from the non-Christian world view exemplified in the ministry curriculum perspectives." I appreciate that you have that view, and that's why there are private schools, right? But do we need public dollars to make sure you're able to put that out? In another statement of educational philosophy from the Toronto District Christian High School it says, "The Toronto District Christian High School, along with other independent schools, reject the intrusion of a government-imposed curriculum."

You see, we've got no choice in the public system. They impose it on us every day, because they think it's good for us, whatever they impose. But in these statements you and your community are saying, "We don't like it—it's totalitarian to do that—because we've got a different approach." Do you think money should flow to you even though you have a totally different approach and you want to do whatever you want to do?

Mr Zondervan: I don't think money is going to flow into our system.

Mr Marchese: To the parents who want to send kids to religious schools.

Mr Zondervan: Right. But we're already paying and have the right to have our children in the public school system. So you're using our money to educate the children of Ontario. We're giving money to the public school system and not receiving any benefit.

Mr Marchese: We're happy to have you in our system.

Mr Zondervan: Right, but it will not work that way. The public school system cannot meet the needs of all the children in our province.

Mr Marchese: Then we should fight for it. We should all fight.

Mr Zondervan: You're talking about an impossibility.

The Chair: With that, we've run out of time. I have to go to the government side.

Mr Hardeman: Thank you very much for your presentation. I just wanted to go to the issue that Mr Phillips was bringing up to you. I understand your difficulty in trying to answer Mr Phillips's question, because the proposition that was before the UN was based on the ability to provide full funding for all types of education or full funding for one secular system and none of the others. Their recommendation, of course, was to offer full funding to all religious schools, discontinue funding for the Catholic system or provide religious education in one system. Our government, of course, disagreed with all those assumptions. We still do.

What we're doing here in this bill—and I think you point it out very aptly—is providing some tax relief to those parents who are making that conscientious choice that for their own reasons they want to send their children to a school that teaches differently or that has different attributes that are presently not available in the public system that is there.

As a government we remain as committed as we ever were and always have been, former governments and our government, in fully supporting the public education system, because we believe that is good for the province of Ontario. We also believe that parental choice and fairness is important to the people of Ontario and I think particularly, as you pointed out in your presentation, important to the people who support your school.

With that, I want to inform you and make sure you understand that we are committed to keeping up the principles of our Constitution which say that we will have those two systems. We are committed to fully funding the public education system, but we also believe that there's room for parental choice and that there is room for fairness in our system to help those people who make their choice for their own good reasons. I want to thank you very much for your presentation.

The Chair: With that, Mr Hardeman, we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

CANADIAN UNITARIANS FOR SOCIAL JUSTICE

The Chair: Our next presentation is from the Canadian Unitarians for Social Justice. I would ask the presenter to come forward. Please state your name for the record. On behalf of the committee, welcome. You have 20 minutes for your presentation this afternoon.

Mr Douglas Rutherford: I represent the Canadian Unitarians for Social Justice. It's a social action group that's affiliated with the Canadian Unitarian Council, which represents the Unitarian denomination in Canada.

Before I begin, I would like to point out that I am grateful for some of the help I received in putting this together on such short notice from the staff of the Ontario

Institute for Studies in Education. Some of the facts I have here come from that source.

Another thing I would like to point out before beginning is that the Unitarians, particularly in the Toronto area—and I go to First Unitarian Church—have a very interesting historical connection with the public school system. The founder of our congregation, Dr Joseph Workman, was the first chairman of the Toronto Board of Education back in the 1840s. He, together with Egerton Ryerson, who was a good Methodist, were committed champions of secular and universal education and introduced it into this province. So we've always been very sensitive to this issue, and that's one of the reasons I'm here today.

We strongly oppose the introduction of a tax credit for private school tuition fees.

First, the policies of this government have already seriously weakened the public school system. With local school boards stripped of power and parents not allowed to decide how to fund their children's education because the taxing power has been shifted to the province and parents haven't got the authority to go to their local trustee and say, "I want you to spend this or that in the system," since parents are not allowed to decide that, the public schools have no flexibility to cope with the crisis that this government continues to create.

This proposal can only exacerbate an already difficult situation. Unlike public schools, the private schools that will benefit from this legislation have the right to reject students they deem unacceptable: children with learning difficulties, handicaps and language difficulties. They do not need to build and maintain expensive vocational educational facilities. The inevitable result will be the removal from public schools of large numbers of children who are relatively easy and inexpensive to educate. The proportion of children in the public system who are more difficult and expensive to educate will rise. Every removal of a child from the system lowers the capacity to educate those who remain.

Second, a strong public school system which educates most children is the foundation of a democratic society. If large numbers of children attend schools segregated by religion, social class or parental income, the long-term result will be a society less unified, less tolerant of differences, less willing to share and less willing to work together. This is not a society that I believe Canadians want. Parents certainly have the right to educate children as they see fit, we accept that, but a government interested in the common good should not actively encourage abandonment of the public school system.

Third, it is impossible to believe that this legislation represents the will of the people of Ontario. Similar proposals, almost all of them less radical, were voted on last fall in 35 US states. Each and every one was rejected. The vast majority of Canadians, like the vast majority of Americans, do not want their taxes used to subsidize private education. It is clear from the effort to curtail these hearings that this government understands they do not have public support on this issue.

In summary, this proposal is socially irresponsible. It will weaken our schools and eventually our society. It does not have the support of the people of Ontario, and it should be abandoned.

1650

The Chair: Thank you very much. We have four minutes per caucus.

Mr Marchese: Thank you. Mr Rutherford. You've heard Mr Hardeman and Mr Galt. They say that they're strong defenders of public education. You've heard them claim they've put in more money than other governments, in fact, and so when they give this choice to these parents to send their children to religious schools or other private schools, you shouldn't worry, because it's not going to affect public education. They're trying to convince me and people like you that money will not come out of the public system whatsoever, and they also try to convince us there will be no sizable number of people leaving the system. They say it hasn't happened in other jurisdictions, so you shouldn't be worried, first of all on the economic front; and second, on the other argument with respect to the choice argument, they're saying it's good for multiculturalism, it's good for diversity, it's great for the country for us to be able to give a tax credit, which is public money—a tax credit is public money—to them because we're just allowing parents to do what's good for their children, and what's wrong with that? What's wrong with that?

Mr Rutherford: Mr Marchese, dealing with your first question, I agree with everything you're saying about tax credits. I recall the professor of taxation at York University saying that a tax credit or a tax subsidy is exactly the same as an expenditure, a public expenditure. He calls it a tax expenditure; it has the same effect. In this case, as it's already been pointed out, it's coming out of the tax dollars and if that isn't replaced by the government, then obviously the money that's going as a result of this subsidy is going to be lost at the educational system.

Dealing with the other point that you made, every educator I've heard and spoken with and read about in the paper is worried about what's happening to our public school system. I've heard teachers say they don't like to get up in the morning. Every time they read the newspaper, there's another horror being inflicted on the educational system. These are people who are professional educators in the system.

I'm a lawyer and I wouldn't want the government to micro-manage the way I practise law, and the teachers are being micro-managed in the way they, as professionals, are teaching. They're absolutely frantic, I know that, and they're leaving; they're leaving in droves. So I can't believe, Mr Marchese, that the public school is doing all that well, and I think this is going to make things worse.

Mr Marchese: The other point I want to make is that this government has imposed so many changes on the public system—for its own good, they say, imposed these changes on teachers and the system to make it better.

We've got no choice. If you're a student or a teacher, you are subjected to their will.

But I posed a question to the previous speaker where I pointed out, in terms of what they're saying in their own literature, they don't want this government to impose any curriculum on them, and I'm assuming that they don't want to be subjected to any other changes that we in the public system are subjected to. Why would we, why would this government then say it's OK to give you a tax credit and you can do what you want and you won't be subjected to the same principles that they're subjecting the public school system to? How is that fair?

Mr Rutherford: It doesn't seem fair to me, Mr Marchese. I don't know where all these policies are coming from. I have a confession to make. I did work for the government before I retired, not in education, I'm not an expert in education, but I know for a fact, and I worked for three levels of government, that when policies are proposed there's usually a period of consultation with people affected. There always has been in the past, every time. I personally used to go around to the municipalities and spend a lot of time talking to people to make sure that what we were going to do on another level was going to be acceptable. Why isn't it happening now? I'm trying to find out who's making these policies. I don't believe that they're coming—I may be wrong here—from professional educators. Everything is just too dreadful, everything I hear. I talk to teachers; they just throw up their hands.

The Chair: Thank you very much. Mr O'Toole.

Mr John O'Toole (Durham): Thank you very much for your presentation, Mr Rutherford. I really did appreciate the historic reference where you talked about the important history of Canada and certainly Upper Canada, Ontario, and how Mr Workman and Mr Ryerson were fundamental formula-makers in terms of the structure and order of society.

I take it that the foundation of Canadian society is basically Christian.

Mr Rutherford: In fact, at that time, there weren't any other minorities. It's true.

Mr O'Toole: So it's sort of inculcated—the Christian value system sort of got into the system—as it should be, because it's supposed to reflect society from the perspective that you spoke to earlier.

As a lawyer, you are accountable somewhere in the system—everyone is—whether it's through the law society or your own professional ethics perspective. I think that the important history is to say that Canada's cultural mosaic has changed. I think you would concede that point, that there's a tremendous—some would use "diversity," some would use "mosaic." "Mosaic" is not the same colours of glass; it's different colours within the mosaic to reflect the beauty of society in its diversity.

If you want to go back to the formation and that inculcation of the system within a system—and it has been flipped around. There isn't any Christian stuff in the public system now, technically; it has just been taken out.

It has become kind of secularized, to the point of neutralized. In fact, there's subordinated messaging within that.

Mr Phillips perhaps will allude to the important Waldman case at the Supreme Court, or at the United Nations, I guess, where he'll try to say that the government said that it would be fragmenting and divisive. The "fragment" word means that that's bad, and "divisive" means that's bad. That's what he's implying, but his premise is based on a false presentation of what the positions that were being put forward were. They weren't this model. It's a choice. You pay the money and then you get some tax relief for that particular expenditure. It's not full funding by any stretch, nor is it intended to be, as was the United Nations case.

The fragmentation-divisive argument is used as if—it's a contradiction. If you really think about it, and you're a lawyer and you think in these terms, I suppose—it sounds to me that there are poles of diversity.

The Chair: A question, Mr O'Toole.

Mr O'Toole: Would you not think, if you're using the case that the public system, this new neutralized system just sort of gets everyone looking the same or thinking the same, including the values that are taught, in contradiction perhaps to a family, are the right thing to do? Is not our diversity, our richness—

Mr Rutherford: Mr Spina, I don't know whether you remember back in 1960—

Mr Spina: I'm sorry, this is Mr O'Toole.

Mr Rutherford: I'm sorry. Is it Mr O'Toole? I just see different names here. Sorry about that.

Back in 1960, the big issue was the teaching of secular religion in the public schools. On behalf of the Unitarians—I wasn't at the government at the time, I'd like to assure you—I went to Mr Davis, who was Minister of Education, with a brief. As a result of that, two things happened: a royal commission was set up by them, the Honourable Mr Justice Mackay dealt with this matter, and also a very interesting experiment was carried out in the schools of North York, where two trustees proposed a system of religious education that was not secular, that reflected the common values of the religions that were represented in that community. That was introduced to create an education of values for the children.

So the diversity was kept in, the secular religion was out, and it has seemed to work very well for the last 40 years. We've come to the point now where I think the diversity in the school system is a wonderful thing. I grew up in the public school system in Toronto, down in town where there was a whole variety of different minorities. I learned to appreciate, very much, religions that were not my own. That's one of the things I liked about our public education system. It left me with some values. It didn't make me reject my own religion but it certainly helped me understand other people, and that we badly need today.

1700

The Chair: Thank you very much. I have to go to the official opposition. Mr Phillips.

Mr Phillips: Thank you very much for being here. Just to put it on the record, the government provided us with the funding for education yesterday. Just to support your concern, spending actually has gone down \$75 million this year over last year on public education. That's according to the government's own numbers. I look at the per pupil spending over a five-year period and we actually have not come even close to keeping pace with inflation, according to the government's numbers.

Two years ago the government argued against extending funding to private schools. They said, among other things—and I want to read you this statement and see whether you would share their view or not, the Harris government view. The Ontario government submits that, "One of the strengths of a public system of education"—one of the strengths—"is that it provides a venue where people of all colours, races, national and ethnic origins and religions interact and try to come to terms with one another's differences.... In this way, the public schools build social cohesion, tolerance and understanding."

"Extending public school funding rights to private religious schools will undermine" this ability and may "result in a significant increase in the number and kind of private schools. This would have an adverse effect on the viability of the public school system, which would become the system serving students not found admissible by any other system. Such potential fragmentation of the school system is an expensive and debilitating structure for society, would lead to increased public school closings and to the reduction of the range of programs and services a public system can afford to offer."

At the time, the Premier said this could cost \$300 million. In the budget, they say they're going to spend \$300 million on this. Would you share the then view of Harris, two years ago, that some of these strengths of our public system could be eroded?

Mr Rutherford: I couldn't agree more. I think it's one of the very points that our community and our denomination is making. We're worried about it. Our church is not exactly downtown, but it's close to downtown, and we really enjoy and it's important to have that multicultural aspect. Our kids need that, particularly when they're living in the Metro area, growing up in that. It's really important.

Mr Phillips: The government went on in its brief to say something that I found unusual. It said that extending funding "would compound the problems of religious coercion and ostracism sometimes faced by minority religious groups in homogeneous rural areas of the province who would be faced with the choice of attending a full and directly funded school of the majority religion, where compulsory prayer and indoctrination is practised, or attend their own, virtually segregated, schools."

That was fairly strong language, I thought. That was the Harris language. This, I guess, is more for some of the rural communities in Ontario, which you may or may not be familiar with. Do you have an opinion on that statement? Mr Rutherford: I didn't grow up in a rural community. I'm very much of a Toronto person. I have a summer place up in a rural community, and I know that there isn't much difference in the views, except for the Roman Catholics, who of course, have their own school system. My own feeling is that we can't mess around with that; it's in the Constitution. But apart from that, no, there isn't that kind of diversity. I really don't know how it affects the kids.

I wish they knew more about it, because we are a multicultural society, and they have to learn this one way or another. I'd like to see some of them maybe being bused down to Toronto for a little bit in some of these inner-city schools. I think they'd learn a lot that way, and they'd enjoy it.

The Chair: Thank you very much. **Mr Rutherford**: You're quite welcome.

The Chair: On behalf of the committee, thank you very much for your presentation.

CANADIAN MANUFACTURERS AND EXPORTERS

The Vice-Chair: I'll call the next delegate forward; from the Canadian Manufacturers and Exporters, Ian Howcroft. Thank you very much for coming forward to present. The next 20 minutes are yours. You can use it to present or leave some time to be divided up among the caucuses. As you start, please state your names for Hansard.

Mr Ian Howcroft: Good afternoon. My name is Ian Howcroft, and I am the vice-president of the Ontario division of Canadian Manufacturers and Exporters. With me is Joanne McGovern, our director of taxation for the Ontario division. I'm going to make a few preliminary opening remarks before we get to the specifics of the bill.

Canadian Manufacturers and Exporters, or CME, was formerly known as the Alliance of Manufacturers and Exporters of Canada. Our members produce approximately 75% of Ontario's and Canada's manufacturing output, and our members are responsible for about 90% of the country's exports. CME represents a broad variety of industry sectors from all regions of the country and the province.

It's important to note that approximately 70% of our 2,000 corporate members are SMEs, small- or medium-sized enterprises. We've been around for 130 years—in fact, this is our 130th anniversary—providing our members' views and input to assist governments to develop public policy that would benefit the province and lead to economic growth and prosperity for all residents. At a recent board of directors meeting, CME identified five broad priority issues: tax and financial; environmental quality; trade and export; innovations; and skills shortages. At some level all these issues are linked, at least if we're to deal with them successfully. Of particular interest to this committee will be the issues of tax and financial, innovations and the skills shortage.

CME appreciated the opportunity to present our recommendations for the Ontario budget to the standing committee earlier this year. Overall we were pleased with the decisions made and the directions set in this year's budget; however, we had hoped it would have gone a little further in some areas. We'll speak to that a little later

In our view, with a slowing economy, now is the time to demonstrate that Ontario is doing all it can to retain existing and attract new business to the province. By generating more economic growth and attracting more investment, it will help to create more opportunities that will result in more prosperity for all Ontario. The global economy is extremely competitive, and we must do all we can to ensure that we attract or earn our fair share. Consequently, we would like to have seen the complete elimination of the capital tax and the surtax. Again I'd like to state that the direction is right; we just had some concerns with regard to the magnitude, which we hope will be addressed in the future.

In our 2001 recommendations we strongly advocated an Ontario tax system structure which would maintain a healthy economy for Ontario and an improved competitive climate for manufacturers and exporters. As I mentioned, at the time we presented our tax reform recommendations, there was economic uncertainly. We stressed the importance of continuing to pay down the debt while pursuing key tax reform measures immediately, in order to secure a competitive marketplace for Ontario manufacturers and exporters, now and for the future.

Our key tax reform recommendations included: abolishing the capital tax; abolishing the corporate minimum tax; legislating the corporate rate reductions announced in the 2000 budget; enhancing the capital cost recovery system and accelerating the write-off of capital equipment; legislating full indexation of personal tax to inflation and eliminating the Ontario surtax; and legislating modifications to the super allowance to a single-rate, non-incremental allowance. We also made some administrative recommendations which we may address later if there's interest. Again, a lot of these issues were addressed and we're pleased with the direction.

In addition to the tax policy reform, our recommendations addressed the issue of the skills shortage. This is vitally important to the issue of sustainability to our members. The skills issue will continue to be more of a threat to our members and to the province's economy as the workforce ages. In our recommendations we encouraged the government to recognize this and to work with parties to try to come up with solutions in a coordinated approach or fashion that will really deal with it. It is time we looked forward to deal with this. If we don't find a solution, things will get worse. If you look at the statistics, by 2020 more than half the workforce that is currently employed will have retired. So it's an issue that we feel cuts across all ministries and all jurisdictions, that we want to focus on and work on with this government,

the college system, the education system, to try to come up with solutions that stand us well for the future.

Those are the opening comments I wanted to highlight. I will now turn to Joanne to talk about some of the specifics for the bill.

1710

Ms Joanne McGovern: After the announcement of the 2001 budget in May, our tax committee of about 200 members generally felt positive about the budget. First and foremost, they were pleased to see again another balanced budget, as was legislated. Second, the \$3-billion debt repayment was a positive measure, although our membership is still worried about the general \$110-billion debt. We have to continue on this track, and that's really the committee's number one priority.

A big issue for our tax committee and the CME in general, and an issue that has been a long-standing recommendation of the CME, is the abolishment of the capital tax. The CME sees it as an investment-unfriendly tax. We are happy to see some steps taken toward this by moving the threshold from the \$2-million mark to the \$5-million mark. However, quite frankly, our committee did indicate that the \$5-million movement was a drop in the bucket when we're looking at our members' intensive capital expenditures in their types of businesses. However, we don't want to mock it, because it has been mentioned and it is the right direction forward.

The second issue is on the corporate tax. The committee and the CME in general were happy to see that the corporate tax rate reductions were legislated to the 8% rate by 2005. That provides certainty and helps our members plan for their future calculations and future business planning.

We are also happy to see that the superallowance was addressed. The negative implications that were introduced by the federal government, we are happy to see the Ontario government recognize that and make some modifications. There are a few technical issues that still have to be resolved, but we're happy to be working with finance on some of those.

On the personal surtax side, to see the surtax for the middle-income brackets begin to be addressed was a positive sign. We recommended that the surtax should be eliminated for all income levels, and we'll continue to advocate for that.

Another area that we brought up in our recommendations was on computer software and the taxation of that. We're happy to see that it was noted in the budget and that the government intends on proceeding with consultations on that issue.

In terms of next steps, the CME will focus on the complete elimination of the capital tax in Ontario. It's a high-priority issue for manufacturers and exporters, and we believe it will benefit the Ontario economy as a whole.

Next year, we'll also be strongly advocating for the abolishment of the corporate minimum tax, which is particularly important to our members at this time of economic uncertainty. There are a few other issues that we'll push to be addressed in our recommendations next

year and up until that time, mostly on the administrative side and furthering, as Ian mentioned, a lot of the measures that began to be addressed in this 2001 budget. Thank you very much.

The Vice-Chair: That concludes the presentation? It looks like, then, we have about three minutes per caucus, starting on the government side.

Mr Spina: Thank you, Ian and Joanne, for coming forward. It's good to see you again. On one area you mentioned, the concern about the \$110-billion debt, I just offer this as perhaps a little bit of a plus that you may want to re-communicate to your membership: that \$3-billion paydown saves the government about \$90 million a year in interest payments, which is money that we can use toward other areas within the government, like health care and, of course, the other area which we talked about, in education. So I just wanted to share that with you.

We didn't go quite far enough. Is the phase-in for the five years OK, or do you think that could be shortened up?

Ms McGovern: On the corporate rate?

Mr Spina: Yes.

Ms McGovern: We're fine with that. We want something concrete; we want certainty. So if it takes five years to make it legislation and make it certain for planning purposes, that's what we need, certainty. Vague commitments don't actually help businesses plan.

Mr Howcroft: The reductions were announced last year. What we were hoping for was that they'd lay out a plan that would allow for the planning process, which is problematic when you know it may be coming but not exactly when. So we were pleased to see that.

Mr Spina: I would suggest to you that once this bill is completed—if and when we get it through, hopefully in the next couple of weeks—you'll likely see it laid out in very specific terms with the appropriate regulations, certainly, within the Ministry of Finance.

The Vice-Chair: You have about another minute.

Mr Hardeman: I was just interested—and we haven't heard much discussion about it anywhere—in the computer software cuts, a problem you suggested was going to receive some more consultation. Could you point out to me, and for those listening, what the problem is and why the consultation?

Ms McGovern: Specifically, the recommendation we made was on the GST on software. The GST currently applies to all software and companies. It's not just the high-tech sector, which we also have members of; it really relates to all companies that purchase software within their organizations. Because of the information age and small and medium-sized companies getting more and more up to speed on information technology, we think it's important to address that side of things and that the GST shouldn't be applied—sorry, the PST.

Mr Hardeman: On the GST I was going to whole-heartedly agree with you.

Mr Howcroft: We're thinking ahead to the future harmonized approach.

Ms McGovern: That was a slip.

The Vice-Chair: We have to move on to the official opposition. Mr Kwinter.

Mr Kwinter: Thank you very much for your presentation. Yesterday in the House I thought the Minister of Economic Development and Trade made a very strange statement. It was a motherhood kind of statement, but I still felt it was strange, and I responded that way. I'd like to get your reaction to it. He announced he's going to set up a consultation. He's got the member from Halton, who's going to meet with industry, the exporters and the high-tech companies to find out what they need to become more competitive.

I've sat on this committee for 10 years. I've listened to your presentations through the pre-budget hearings. We've had many, many presentations by boards of trade, industry associations. It would seem to me that you make your case: you indicate particularly tax relief, higher skilled labourers, access to markets, help in some of those things. Is there something you haven't told the government or that they haven't heard from you as to how you can become more competitive?

Mr Howcroft: I think there's still a lot we can learn to be more competitive. The productivity gap we're experiencing within Canada and the US—I think most of the experts or the studies I've seen have us 30% less competitive—less productive—than the US. It's something we have to work in partnership with to address and come up with some solutions. I know the federal government has acted on our suggestion to have an innovation summit to deal with productivity issues. We've been proposing to the Ontario government that we have to deal with these issues.

I think there are a lot of good things going on. There are a lot of successful companies out there. There are lot of others that could benefit from the success and learning of those other companies, and we have to come up with a more coordinated approach to try to educate particularly the SME areas, which aren't as productive as they need to be. A lot of our success and productivity advantage has been because of the 65-cent dollar. If it went to 75 cents, a lot of manufacturers, exporters and businesses in Canada and Ontario would find themselves in quite a difficult situation. What we want to do is help them become more productive so that if the dollar does rise, they would not have to experience difficulties.

Also, we think companies should be more productive. There are great opportunities out there, and we think we have a role we can play in working with this government and other governments across Canada. One of the issues we've been pushing is lean manufacturing and trying to help establish consortiums so that companies in local areas can get together and share best practices and become more productive by learning what others have done to achieve some success.

I think we've seen some improvements in productivity over the last 10 years, but we haven't seen the success other jurisdictions have had or that I think we're capable of. We look forward to helping move this issue forward in any way we can in dealing with the government of Ontario, the government of Canada and my colleagues in the CME in other provincial jurisdictions.

The Vice-Chair: We'll move on to the third party. Mr Marchese.

Mr Marchese: Ian and Joanne, you were here in part for some of the discussion around the issue of tax credits for private schools. With a yes or no, do you support it?

1720

Mr Howcroft: Yes or no?

Mr Marchese: Unless you want to add more.

Mr Howcroft: We don't have a yes-or-no answer. We focused on the corporate tax rates, the capital tax rates.

Mr Marchese: I'm going to get to that.

Mr Howcroft: It's an issue we don't have a position on.

Mr Marchese: Do you have a personal view on this?

Mr Howcroft: I'm not here representing a personal view. I'm here—

Mr Marchese: I hear you. OK. Very good. You were concerned, Joanne, about the debt we have. Under this government, I think it went up \$20 billion or \$30 billion. But we've had a good economy and low interest rates. In your view, how did this debt go up so high?

Ms McGovern: It's taken a long time to get there. It's not a thing that's happened in the last few years.

Mr Marchese: So, in your view, the income tax cuts this government has made have not contributed to that in any way, have they?

Ms McGovern: No.

Mr Marchese: They haven't borrowed money to give a tax cut. They've been collecting these dollars for income tax cuts out of the great economy we've had. As a result, that hasn't impacted at all on the debt in any way, in your view?

Mr Howcroft: Our position is that we needed those tax reductions to help generate economic growth, which helped create hundreds of thousands of jobs that helped to employ people, which will now help to address the tax situation.

Mr Marchese: I hear you.

Ms McGovern: And that's where the money comes to pay down the debt. It's a direct relationship.

Mr Marchese: Forty million Americans have no health insurance. Forty million additional Americans have inadequate health insurance. This is one of the best economies in the world. They have the highest poverty rates in the industrialized world. How competitive do you want Canadians to be?

Mr Howcroft: We want Canadians to be as competitive as they can be, to be as prosperous as they can be, to continue to improve the standard of living we have here in Ontario. We think Ontario is one of the best places to live and work. That's why we're here, to a large extent; we want to help move that agenda forward.

Mr Marchese: I appreciate that, but American jurisdictions—

Ms McGovern: May I answer your question on how competitive you want us to be?

Mr Marchese: Given what I give you: the context of the American society in terms of poverty and health problems they've got and so on.

Ms McGovern: We want to be as competitive as we can be to stay competing in the global marketplace. We want to be able to compete equally with other jurisdictions, not just the US, not just within North America.

Mr Marchese: You're quite right. But usually people like yourselves always refer to the US rather than referring to Sweden and other Nordic countries and Germany and France. You usually compare us with the US

Ms McGovern: We refer to both. Mr Marchese: I do, and I agree—

The Vice-Chair: Thank you very much for your presentation. We appreciate your coming before the committee and your input.

DUNCAN GREEN JOHN FRASER

The Vice-Chair: Our next presenter is Duncan Green. Would he please come forward?

Mr Duncan Green: Mr Chairman, I'm accompanied by Mr Fraser.

The Vice-Chair: Thank you very much. I just had the one name here, but the clerk was aware there was a second. Maybe you could both state your names for the sake of Hansard. You have 20 minutes. Whatever is left over will be divided among the three caucuses. You may proceed.

Mr Green: My name is Duncan Green. I'm a former director of education with the board of education in the city of Toronto.

It will help if I could ask you to look at the brief and turn to the third-last page. You're going to need it, because I'm not going to read it.

Mr John Fraser: I'm John Fraser. I was the director of education for the Peel district and, before that, the Kenora Board of Education.

Mr Spina: I haven't seen you in such a long time; I didn't recognize you.

Mr Green: It changes.

Interjections.

Mr Green: I want to thank the committee for hearing us, because we're not an organization, we're not a school, we're not a formal group in any fashion. This brief was shaped initially in my head, because at present I have four grandchildren in the public school system and I'm just a little distressed about the direction that is occurring there—more than a little, I may say. Their mother is even more distressed, and is on the parent council for the city of Toronto.

The key part of our brief is the last three pages, if you will look at them. There are 23 names there. They've grown like Topsy in a week and a half. My computer skills have been severely tested in terms of sending out emails with attachments, some of which arrived and some did not. They've been equally severely tested in receiving

1730

the same, and my editorial skills have been tested by the participation of about 20 chiefs and no Indians.

But there are 23 people on there who subscribe to what we say. Most of them are former directors of education with boards of education. Three of them are former deputy ministers of education. Two of them are former community college presidents. One of them is a former chair of the Council of Regents for the colleges of applied arts and technology. One of those college presidents was the chairman of the planning and implementation commission that implemented funding to the separate schools, and Mr Fraser was a member of that commission as well.

I stress that not in terms of boastfulness but simply to indicate that this collective group has had a lot of experience wrestling with exactly the problems that are emerging as a result of this initiative. They speak, in this instance, most uniquely with one voice. I would never have thought that would occur. Some of them are from a more distant past than others, but all have had similar experiences.

In going through the brief, if you wouldn't mind going back to page 1, I'm just going to highlight the main points, because I'm sure we're not making any new arguments distinct from those you already have heard. But we do represent a background that is different from most of the people who may have made those arguments, and we felt that might be of value to the committee.

The first thing I'd like to emphasize is the third paragraph: we would add our support to those individuals who urge the government not to offer tax credits to those who choose to send their children to private or independent schools.

A lot of this rhetoric is good rhetoric and good prose, but in the interest of time I'll move through. You can read it at leisure later, before you go to bed.

Mr Marchese: It may not happen. They may not read it.

Mr Green: I don't believe that, sir.

The fifth paragraph says, "The result of our experience has been to confirm our view that a single publicly funded education system is the most desirable and accountable way of providing education." We recognize there is a major stumbling block to that. We can't help saying that two other provinces have wrestled with similar stumbling blocks and emerged with a different solution from the one that was designed when they entered Confederation, even though they entered it about a century apart. We think the present tax proposal leads us in the opposite direction, and we oppose it for five reasons:

First, it will encourage more parents to seek education for their children outside the public system. We don't know of a tax credit that is implemented to discourage behaviour or activity. As we know, tax credits are instituted to encourage behaviour or activity. We consequently would expect an increase in the number of people who opt for a different choice than the public system.

Second, the result of that, in our view, if they get a tax credit, will be to reduce the total annual tax revenues of the province, and consequently the resources available to fund, among other things, the public school system. This will exacerbate the current financial problems being encountered by school boards.

Third, the tax credit will not provide for equitable tax treatment, since it will only be available to those who already can consider the cost of private education. You'll notice I'm not saying "only to the wealthy." I am saying they've got enough income to live and to provide for another set of fees for a choice they are making.

There are people who might want to make that choice who can't even think about it. The tax credit is not going to provide the extent of freedom of choice you might think. As a result, we feel it advantages and benefits those who are well off or reasonably well off, at the expense of others who aren't well off.

Fourth, it will subsidize educational institutions that are minimally supervised and regulated by the province. If you look at the establishing of private schools now, I think it is more difficult to get a busker's licence to perform in the subways of the city than it is to establish a private elementary school. What's more, the busker will be more carefully monitored and supervised than will the private school, particularly given the decline in the number of supervisory people both in the ministry and in the boards. In the Netherlands, where there is a much different construct—the government may want to look at that, and there are other constructs it may want to look at—the rules are quoted. They're on their Web site: this is what you have to do if you're going to get funding from the government. At present, a lot of independent schools would have trouble living with that. I'm being careful not to condemn them, not to say they run bad programs. I'm just saying we don't know.

Finally—this is our most important point, and I know it has been hammered at you time and time again—it will lead to an increased ghettoization in society and a lack of understanding of different points of view. The public school system is the only public institution in which individuals and communities have to come face to face with the differences in attitude, background and beliefs between themselves and others. It must encourage a mutual respect and understanding of different races, traditions, practices and beliefs in its students so that they will learn to live with one another in peace. Nobody else does that. The nearest you can come to it is the subway, and that's a very ephemeral experience.

All of us have spent our careers in the last half of the 20th century, and without minimizing the others, that proposed a dramatic change in population, particularly in this province. Of the immigrants to this country over that period of time, half came to Ontario. Of that number, half settled in the greater Toronto area. The others tended to settle in the other large cities of the province: Windsor, Ottawa, Hamilton and so on. In greater Toronto now, English is not the language spoken in over half the

homes. Languages we had never even heard or heard of in the 1970s, like Tagalog, Urdu, Hindi and Farsi, are spoken by sizable populations. Similar changes have affected other parts of the province. With them have come a variety of religions, and there are now mosques and temples in addition to the traditional churches and synagogues as locales and locations for their worshipping populations, and they are focal points for these new immigrants.

Throughout this period, it has been the public school system—and the public school system alone—that has tried, with considerable success, to accommodate all these diversities by developing a number of strategies to encourage people to live peacefully with one another's differences. They've really worked hard at it. Our blunt fear is that not immediately but a number of years from now, when it likely won't matter to us personally, the proposed measures will produce, in the fairly near future, an increase in racism and religious intolerance. It won't come about because people are fomenting that; it'll come about because of ignorance and fear of the unknown. Reared in the homogeneous cocoon of special-interest schools, loosely monitored, many students will never have had to face neighbours who speak a different language or practise a different religion from themselves. They won't experience what I did with my younger daughter, who came home at one time dating a fellow and said, "Do you know what? He really doesn't know anything about Easter." He was Muslim. That came as a great shock to her. But the accommodation was made. Much of our stereotyping emerges from those cocoon existences. I think our much-admired experiment with multiculturalism—we brag about being the best country in the world to live in—is in real hazard.

We'd also say, by the way, that there's a big difference between theoretical choice and real choice. There will be considerable choice in the densely populated areas of the province; there will be a lot less choice in Kenora or the area surrounding Kenora.

We urge you not to follow this path. If you do want to diversify the publicly funded education system in a different fashion, it might be wiser to study it a little more solidly than has been done in the preparation for this rather hastily, we think, and ill-conceived motion. As one of my colleagues said when he phoned me, "Is this the beginning of the slippery slope?"

You might want to look at the Shapiro report, at the Keiller Mackay report, at the reports of studies that have been done in the Netherlands and in other provinces in Canada, and then have serious public hearings about whether that's a route you want to go. We think this precipitous action was not included in the mandate this government was given either in the most recent election or the one before. The people of Ontario have never had the opportunity to vote for or against this specific proposal, and it seems to us a very undemocratic sort of approach. We urge you to avoid introducing controversial changes that can only negatively impact the system of public education without offering an alter-

native long-term design that has been arrived at as the result of informed public discussion.

I'd add one other thing. I don't know whether someone may already have drawn it to your attention, but as I understand it from the New York Times this morning, yesterday the US Senate defeated a Bush administration initiative that would have provided tuition tax credits in 10 of the largest cities of the US. I have only that much information, it's that sketchy, but that occurred yesterday and is reported this morning.

The Chair: Thank you very much. We have approximately two minutes per caucus and I'll start with the official opposition.

Mr Phillips: Thank you. That's an extremely impressive group of people—

Mr Green: Well, we were.

Mr Phillips: Still are, extremely, and true leaders in public education in Ontario who made a huge contribution. You're familiar, I think, with the United Nations brief that the government submitted two years ago arguing strenuously against this.

Just looking ahead, the government recently produced its population forecast, which said that in the next 10 years well over 80% of our population growth in Ontario will come through immigration. Over a million people, at least, will come to Ontario in the next 10 years, so we will continue to need a system that welcomes those young people and accommodates them. We're accused, those of us who oppose this, of being alarmist: "You're just making a big deal about nothing." I happen to believe the opposite. How do you respond to those who say, "This is just a minor move and is nothing more than a little move to accommodate a small group of people"?

Mr Green: I think the people I've been in touch with do feel that this is not an alarmist expectation but a practical expectation. If you look at the countries that hive themselves off from others and stick to an ideological base, they are the ones that have much difficulty in integrating. The big extreme of course would be Afghanistan with the Taliban at the moment, who operate from a very narrow framework of interpretation. That comes about because they don't see any other people, and the ones they do see they want to make sure are identifiable and in a separate spot, though I notice they're backing off from that a little bit—or may back off. I think that's true of us in stereotyping Muslims. Our media have a tendency to stereotype Muslims. We class them all in the same boat. It's the fundamentalist group that gets the attention and applies the label to the rest.

I can't stress strongly enough the interaction of people. One thing that changed my view on the Lord's Prayer in the schools was teaching at North Toronto Collegiate and having to say that prayer every morning to a home form three quarters of whom did not anticipate in that prayer because they were Jewish. I thought, "Just a minute. There's something wrong here." When I was director, our city produced a book of religious readings and prayers that I thought was a really significant achievement, and it was arrived at by bringing together

all of the disparate groups that forced us. We produced this book and we went to the then Premier of the province and said, "What we'd like to do is use this for opening exercise and have a minute's silence after," and we got a no on the minute's silence. He wasn't ready to go that far at that time.

1740

Mr Marchese: I thank you both and all the other eminent people who are listed at the back who are in disagreement with this government with respect to the tax credits.

Two quick questions, if I can: the first is that we believe the tax credits will encourage people to leave the system. You believe it; we believe it. They are simply saying, "It won't happen. Other evidence in Canada shows it won't happen."

Mr Green: If somebody can point out why a tax credit is introduced as a neutral thing or as a discouraging measure, I don't know of any. It's only used to encourage things to happen.

Mr Marchese: I agree with you. It's designed to encourage, not discourage that kind of activity.

I've been also curious about this government's position on a number of things. First of all they got rid of employment equity, they got rid of the anti-racist secretariat, they got rid of the ESL programs that came out of citizenship, they got rid of the Welcome Houses, the heritage language programs are disappearing in the Toronto board because they don't have any money to keep these programs up. All of a sudden they've redefined multiculturalism and said, "People want to have their own education in their own language and their own religion."

It puzzles me that they've done so many things that discourage the kinds of things that you've been speaking of, the kinds of things that I support, and now all of a sudden they're saying, "It is all right to give people a choice and to send them to different religious schools or to other private schools."

I find that very complicated for society. I think you spoke to that. I'm not quite sure whether you wanted to add any more to it?

Mr Green: I think our point would be that this is a very narrow context in which to have that debate. A pure tax credit measure ignores a lot of the major factors that should be being discussed, with that as a part of the context, rather than that being the context.

Mr Marchese: You were quite right. Thank you.

Mr O'Toole: Thank you, Mr Green and Mr Fraser. It's a pleasure to see you. Just one observation: there were no separate school directors that were willing to sign. I just noticed the list here.

Mr Green: None of them phone me, and I didn't phone them.

Mr O'Toole: I know that this has been an issue. I know Mr Fraser was involved, as you mentioned. I was a trustee from 1980 to 1982, in that period when the whole—they never actually swallowed the pill. It's unfortunate.

I just think that you've described society, as I see it, as rich and diverse. I think society in Canada is a mosaic, and as a mosaic it has different parts, different colours. It's not a melting pot and it's not "just us," as in "justice." That's what the people have been crying for for years. We've been part of a debate, and to say it hasn't—from the Shapiro commission onward, including the Royal Commission on Learning—it's been a debate. There has been a raging debate, and if your directors of education—formidable, eminent people—and you are to stand here and tell me that there has been no debate, you haven't been listening. It's that simple.

That is my little outburst, because I'm offended by the fact that you have told us that the actual majority language in Toronto in less than 10 years won't be English.

Mr Green: That's right.

Mr O'Toole: So that's a recognition of diversity. Allow them to blossom. Allow them to bear fruit. Allow them to celebrate. Can't you see that that's what this is about? It's an opportunity for people to make choices.

Mr Fraser: No, I don't see that it's about that at all.

Mr O'Toole: You don't?

Mr Fraser: That diversity has been celebrated and amplified in the public school system all along.

Mr O'Toole: It's been taught.

Mr Fraser: It has not been. It has not been smothered. It has been enhanced. Anything that splits our society is what we see is wrong.

Mr O'Toole: It's been managed.

Mr Fraser: It's the public school system that brings us together, that is the foundation of our society, that provides the mutual set of experiences that allows us to grow in respect and tolerance. That's where we see it.

Mr O'Toole: One point—page number one—that's what you wanted, one system. That's what you wanted in 1980; that's what you still want. One system.

The Chair: Mr O'Toole, are you done with your—you posed a question.

Mr Phillips: You should be listening.

Mr O'Toole: I am listening.

The Chair: Go ahead, finish your—

Mr Green: One publicly funded system.

Mr Fraser: There's been discussion about education ad nauseam forever. We're not suggesting there hasn't been discussion and debate about all of these issues. There has not been a specific discussion about extending funding to the private and independent schools in this province through any kind of tax structure. That debate has not happened. The government has announced that this is what you're intending to do. The public school system is under tremendous stress—

The Chair: With that we've run out of time. On behalf of the committee, thank you very much for your presentation this afternoon.

MARY MOTHER OF GOD SCHOOL

The Chair: Or next presentation this afternoon is from Mary Mother of God School. I would like to invite the presenter or presenters to come forward and state your name for the record. On behalf of the committee, welcome. You have two minutes, and I warn you that there may be a bell for a vote, so we may have to come back after.

Mr David Brown: Fair enough.

The Chair: So we may have to break your presentation.

Mr Brown: Mr Chair, thank you very much for allowing me to come. My name is David Brown. I'm a lawyer here in Toronto, which I hope you won't hold against me. One of the things I do by way of charitable activities is I am the chair of the board of directors of a small independent school called Mary Mother of God School. It's in Parkdale.

Two weeks ago I went to a meeting at the Keele Community Centre. The local MPP for the Parkdale area very kindly held a public forum into this credit, and the Leader of the Opposition was there. I was quite struck by the polarized views, if you could call it that, that this credit seemed to be generating. At that meeting I simply tried to describe one school in the riding, and essentially that's what I'd like to try and do today.

The parents of the school and the school itself support the tax credit. I'd like to explain to you why, because we're very concerned that a lot of the spin that has been put on in the media for this credit is that it portrays the credit as only benefiting the rich or the well-to-do, and that those in lower-income families will get no benefit from it

Mary Mother of God School is located in one of the poorer areas of Toronto, the Parkdale area. If you saw the Toronto Star this past weekend, it had that United Way map and the big U where the lower-income families were. Well, Mary Mother of God is right in the middle of that U. Most of the parents who send their kids to the school would fall within the lower-middle-class or lower-income categories of families. However, the tax credit will benefit their school and the school's position is simply that the tax credit is a modest but welcome step in the right direction to getting some support to middle- and lower-class families who make the decision to send their kids to independent schools.

Let me provide you with a few details on the school itself. It's an independent school. It's Catholic in its nature. It's elementary; it offers a junior kindergarten to grade 8 program. It has just completed its eighth year of operation. It started off eight years ago in a church basement with fewer than 10 students. It's still in a church basement, but in a different church, but now has approximately 90 students. This coming year we will have seven full-time teachers, most of whom are certified—one of them who isn't has a PhD—and we'll also have four part-time teachers.

I'd like to focus a bit on the finances of the school to give you a fairly concrete indication of why this tax credit will help a school such as Mary Mother of God. Last Tuesday we had our annual parents' meeting and we unveiled our proposed budget for the 2001-02 school year. Our school budget for the next year will be \$277,000. Of that, \$250,000 goes to pay staff and teachers. Our cost per full-time pupil will be \$3,700, so that gives you a benchmark of what it costs us to provide education. We don't charge tuition as such. We ask parents to contribute whatever they can toward that per pupil cost according to the circumstances of their family. and of course you've got a number of parents who send several kids, up to four kids, to the school, and the thought of spending close to \$15,000 is simply beyond their thought.

What it results in is that about 20% of the parents who send their kids to the school can actually pay the full per pupil cost. Most others pay a portion of it. We have some who pay none. But the policy of the school is that we do not turn anyone away.

In terms of our operating expenses, therefore, only about 55% of our operating expenses are covered by parental contributions, which raises the question of how the school survives. It really survives on two things: sacrifice and charity. Everyone involved in the school sacrifices. The starting salary for our teachers is \$25,000 and the highest salary for our teachers next year will be \$28,500, which is a far cry from the public or the separate school grid. To put it mildly, the teachers sacrifice greatly to have the opportunity to teach at the school. Parents sacrifice as well. They put the cost of sending their kid to school at the top of the family agenda in terms of their spending priorities. They forgo some of the nicer amenities in life to ensure that they get for their children the kind of education which they as parents consider to be the education appropriate for their kids.

The school is also supported by a very large network of benefactors who last year contributed about 45% of the costs of the school, and of them only three were big benefactors; most of our contributions are \$25 or \$50 contributions that come from people in the larger school community who support the efforts of the school. We have also received tremendous support from the United Church in which we're currently located. The rent they charge is dirt cheap, and without their generosity in that regard we couldn't survive.

So from a financial point of view the school has really survived since its inception on a hand-to-mouth basis. It's going to continue to do so. This tax credit won't change that. But what the tax credit will do is provide a school that lives on a hand-to-mouth basis with some fiscal relief, as indirect as it may be, and that will make a bit of difference to the school.

I hear the bells.

The Chair: I think we probably only have five minutes. It's only a five-minute bell, so we'll take a break and come right back after the vote. It will probably be less than 10 minutes. Sorry for the inconvenience. So we'll recess until the vote.

The committee recessed from 1750 to 1806.

The Chair: I'll call the committee to order. We have approximately 14 minutes left for the presentation. Sorry for the interruption.

Mr Brown: No problem. Business comes first.

I've reviewed the finances of the school, and what I'd like to do now is address the issue of what difference the tax credit will make to a school such as Mary Mother of God

The bottom line is that it will reduce but far from eliminate the burden of the so-called double taxation that parents at Mary Mother of God bear. Let me give you a concrete illustration of the effect it will have. Assuming the school's per pupil cost remains constant over the next five years and that parents continue to give at the current level of donations, I estimate that in the first year of the tax credit the parent body will receive aggregate tax credits in the amount of \$7,700, or 3% of the school's budget. By year five, I estimate that the tax credits would total \$40,700, or 15% of the school's budget.

Assuming that the parents turn over to the school the money they get by way of a tax credit, then this amount, as modest as those numbers may seem, will have a definite impact on the school's finances. Let's take the first year of the tax credit, \$7,700. Over the course of the last year, the school has held three fundraising events and something called Christian Education in the Arts. We've had two choral concerts and we've had one speech by an author. Those raised slightly over \$6,000. So you can see that the tax credit in the first year will represent an amount of money that it took parents three different fundraising activities to raise. In the fifth year, the \$40,700 represents twice the amount of monies that parents have been able to raise in each of the last two years. So for a school such as Mary Mother of God, that's quite a material impact on the ability of the school to raise more money and perhaps get us out of the circumstance where we are simply living from hand to mouth.

Why should the tax credit in Bill 45 be supported by you? I gather this is a fairly political thing, so perhaps these reasons will fall on mixed ears, but I think there are four reasons.

The first reason, I would suggest, is fairness. Parents who send their kids to independent schools make two payments for education: the amounts they pay in tax and the amounts they pay in tuition for their children. I would suggest that simple fairness suggests reducing the burden of this double payment to a certain extent. Further, the tax credit doesn't pump public money into private schools, as has been suggested. It simply allows some taxpayers to keep a bit more of their own money in their pockets, which they in turn can send over to the school of their choice.

Secondly, this tax break is available to all taxpayers. Some have suggested that the rich will benefit more than the less well-to-do. That's true to a degree, given that it is

a tax credit. But I've tried to demonstrate that for a school at the lower end of the food chain, so to speak, in terms of finances, there will be a favourable material impact on the school. There is a way to ensure more equal access to the opportunity to send children to independent schools by lower-income families. That's called a voucher, but that seems to be a word that one cannot use in this province, and I suspect that hell will freeze over before any politician in this province seriously considers vouchers.

So, quite frankly, unless there are other proposals on how to get more money into the hands of lower-income families, then the tax credit is the only game in town and it will provide some benefit, although not a perfect benefit. In the name of saying that there may be a better way, I would submit that you simply don't throw out the only thing that's being proposed.

The third reason to support the tax credit is that by defeating the credit, one is not going to dampen the growth of independent schools in this province. The reasons parents send their kids to independent schools are very strongly held reasons. They deal with matters of pedagogy or in other cases matters of conscience or faith, and defeating the tax credit won't change that simple fact

The fourth reason why I suggest you should support the tax credit is that by passing the tax credit you won't deal the public system a fatal body blow, which some have suggested would happen. I was at a community meeting sponsored by Mr Kennedy two weeks ago. He very kindly sponsored one at the Keele community centre, and I gave a little talk about the school. But I was also struck by the concerns that were voiced by parents who send their kids to public schools. They have some very serious concerns about what's going on in the public school system. I sympathize with their concerns; they have every reason to be concerned about what's going on in the public school system, as the public school system is in an utter mess and the roots of that mess go back a good 25 years. It's nothing new. To be completely apolitical, there's not a political party in this province that hasn't contributed to that mess in one way or another. It was sort of an equal-opportunity-created mess. but it is a mess. The causes of this problem go very deep, and my own view is that the problems have very little to do with money, notwithstanding that's on the top of people's agenda.

The experience in other provinces has shown that if you give some direct funding to independent schools you will have some movement to private schools, and that's going to happen as a result of the passing of this tax credit. I think people have to recognize that that will happen. But what's the magnitude of the change? I think the best example is out in British Columbia, where in the mid-1970s they introduced up to 50% funding to independent schools. The numbers show that the student population in independent schools grew from about 3% to 7% or 8%. In the provinces where there is funding for independent schools, 90% of the parents still send their

kids to the public school system because they like their public school system. Passing this tax credit, in my view, isn't going to see anything different in Ontario.

However, I feel very strongly that you shouldn't try to solve public school problems by holding parents captive in the public school system. Right now, the more well-to-do parents can vote with their feet. If they don't like what's going on in the public school system, they can yank their kids out, and a lot do. The tax credit will make it easier for the less well-to-do families to vote with their feet as well. By defeating the tax credit, you simply hold the less well-to-do captive to the public school system, and I don't think that's a fair result.

The question I think the politicians have to address is, how do you prevent parents from voting with their feet? The way you do that is by finding out why they're leaving the public school system and trying to address their concerns. Until you address the reasons why parents don't want to send their kids to public schools, then in my respectful view, you're not going to address the root problems in the public schools.

By way of summary, all I'm trying to say is that by passing the tax credit I don't think you would deal a death blow to the public schools, and by defeating the tax credit you're not going to solve the problems that public school systems face. I would ask you to deal with the tax credit on its merits, quite apart from what's going on in the public school system. I would submit the tax credit is simply a modest proposal to give some parents a fair shake, and it's nothing more than that.

I appreciate the opportunity to come here on behalf of the school and make those submissions.

The Chair: Thank you very much. We have two minutes per caucus, and I'll start with Mr Marchese.

Mr Marchese: Mr Brown, you said the public system is in a mess. Specifically what mess are we talking about?

Mr Brown: Oh, you've got all sorts of messes. Why do you teach kids and what are you teaching them? These days, you seem to be teaching them to do a job properly. You're supposed to be teaching kids to impart to them, in my view, a body of knowledge and to form them, to form them into good, responsible citizens who care about their fellow citizens.

Mr Marchese: And the public system is not doing that?

Mr Brown: No, it's not doing that.

Mr Marchese: So we should scrap the whole public system and create little private schools.

Mr Brown: No, quite the contrary. The public school system is the most important school system in this province. My point is that you have to address what I perceive to be the real ills of the public school system so you can remedy them and strengthen it.

Mr Marchese: Right, and you were saying they're not teaching young people to be responsible citizens and—

Mr Brown: The academic standards are the pits. They aren't teaching kids to be responsible citizens. You've got a level of violence in the school that you don't have

in independent schools. As much as I respect Mr Green, to talk about the public school systems imparting the notion that we should all live together in peace—the violence in the school system isn't in the independent schools.

Mr Marchese: So the answer, Mr Brown, is?

Mr Brown: The answer is that you've got to have smaller schools. The schools have to be returned to the communities. Everyone involved in the system has to sacrifice, and they have to sacrifice by putting the students' interests first and no particular special interest groups—

Mr Marchese: So you want your choice to have a small school where the ratio is probably much smaller—what's your ratio in your school?

Mr Brown: Ten students in a class.

Mr Marchese: Beautiful. Who wouldn't want that? *Interjection.*

Mr Marchese: Mr O'Toole agrees with you. He says, "Exactly." He doesn't mind having high class ratios in the public school system, but he doesn't mind giving you a ratio of 1:10. Isn't that beautiful?

Mr Brown: Those are systems which you as the representatives of the people in this province are going to have to tackle, and I would urge you to tackle them, because the public school system does have to be fixed.

I would also urge you to look at the independent school system as perhaps offering some suggestions as to best practices. When I was at the meeting with Mr McGuinty and Mr Kennedy, Mr McGuinty's idea of beacon schools or lighthouse schools, I think he calls them, is a very good idea. But if one wants to spread the word about best practices within the province, get some independent schools in there. They also have some pretty good practices that help out their students.

Mr Hardeman: Thank you very much for your presentation, sir. I just want to carry on a little. We've heard a lot of discussion about the students who go to independent schools and their ability to pay for it and so forth. The suggestion is that everything available in the independent school is available in our public system and that there doesn't seem to be a need to give parents a choice for the education of their children. The things that everybody keeps telling us are the reasons children are going to independent schools are small class sizes, better facilities. I found it strange that that's not what it appears from your presentation. You have a school in a church basement. The total expenditure per student is \$3,700. It wouldn't be for those things that parents would want to send their children to that school. Could you tell me why it is you believe that parents send the children to your school and why they make that choice, sacrificing more than they really should have to for that education?

Mr Brown: I think the parents look beyond the physical facilities. The physical facilities are not the number one priority. What is the priority is that you will be in a small-class environment where your child will be known to everyone within the school and be known to the teacher, will get more direct attention from the

teacher, will be taught to the highest possible academic standards, although we have a number of kids in the school who have learning difficulties. There is an atmosphere of mutual support and respect fostered within the school, which is a very important part. There's also a religious dimension. It may seem odd to some that there's a private school which is Catholic, given that there is a funded Catholic school system, but a lot of the parents who send their kids to the school are of the view that certain issues of morals should be dealt with in the family and not in the schools and very strongly oppose the sex education programs that are in both the public and publicly funded Catholic schools. I mean, that's not the reason, but that's one of the things that goes into the hopper.

I think at the end of the day, it's the sense of community. You know everyone in the school. Everyone has to sacrifice for a purpose and will be better for doing so. I think that's the underlying commitment and mindset of the parents who send their kids to that school.

Mr Gerard Kennedy (Parkdale-High Park): Thank you, Mr Brown, for coming out and thank you for your obvious interest in helping this debate. This is the second meeting we've both attended, and I'm glad you were able to come in today.

I've visited, as you know, your school. You've probably imparted already—I was watching before I came in—that there's a lot of commitment that goes into your particular school, and it's impressive. But in order for us to understand how public policy would warrant public dollars going to your school—there are a number of things you've said that are a little bit of a contradiction. You've already articulated that you don't have religious claim to those funds because the Catholic faith has already got a school system funded here in this province, so it's more about the question of school choice.

I just want to put to you, if there were small groups of parents able to run schools like Mary Mother of God everywhere in the province, that may be a preferred way of doing it, but that's not reality in this province. I'm just wondering how you can reconcile for us what really amounts to a preferred education for those kids whose parents have withdrawn them from the other system and are willing to spend a disproportionate amount of their time, but somewhere else in the public system is missing

some of that commitment, is missing some of that drive, is missing some of that desire for their children in the two publicly funded systems we have. Doesn't that set up a bit of a contradiction, that people who want to care about the state of education walk away? If this policy would allow any set of parents to walk away from making public education better, quite apart from the dollar arguments and so on, we'd miss then the commitment of parents—who will find it slightly easier because they'll group with like-minded parents, the way you have—and we would not have that essential force.

You've articulated a vision—smaller schools, more community control and some way of ameliorating the interests and focusing on the student—which is exactly what we've proposed in our Excellence for All public school proposal. But without parents like yourself it can't get done, because it needs people to be committed. I'm just wondering, what would it take to bring you back in?

Mr Brown: I can't speak for all the parents at the school—

Mr Marchese: The beacon school idea.

Mr Brown: No, the beacon school is only part of it. What you have to do—and our school is not atypical. Most of the independent schools in this province are small, and a lot of them have parents who have strong influence. That may well be the key. Parents are ferociously committed to securing the best education they can for their children. They have to have the means to influence what goes on in the classroom down the street where their kids go. Therefore, my own personal view is that structurally one has to create a system where parents know they can have an influence at the local school. There are different mechanisms to do that, but right now you have a monolithic system which is somewhat impersonal. You have to get back to almost the little old schoolhouse kind of mentality, in the sense that it's a community school and people know what's going on in the school and they're committed to working in the school. I think that's the first step.

The Chair: On behalf of the committee, thank you very much for your presentation this afternoon.

Mr Brown: Thank you very much, Mr Chair and members of the committee.

The Chair: This committee is adjourned until 9 o'clock tomorrow morning.

The committee adjourned at 1822.

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CONTENTS

Wednesday 13 June 2001

Responsible Choices for Growth and Accountability Act	
(2001 Budget), 2001, Bill 45, Mr Flaherty /	
Loi de 2001 sur des choix réfléchis favorisant la croissance	F-185
et la responsabilisation (budget de 2001), projet de loi 45, M. Flaherty	
Ontario Federation of Home and School Associations	F-185
Ms Sue Robertson	= 400
Friends of Public Education	F-188
Mr James Barrass	
Mr Gordon Cressy	
Canadian Jewish Congress, Ontario region	F-191
Mr Simon Rosenblum Mr Bernie Farber	
Organization of Parents of Black Children	F-194
Certified General Accountants' Association of Ontario Mr Paul Moloughney	F-196
Zareinu Educational Centre	F-199
Ms Carol Goldman	
Elementary Teachers' Federation of Ontario	F-202
Creemore Springs Breweries Ltd.	F-205
Mr Howard Thompson	
Toronto District School Board Supervised Alternative Learning Centre	F-208
Ontario Federation of Labour; Canadian Union of Public Employees	F-211
Alliston Community Christian School	F-214
Canadian Unitarians for Social Justice	F-217
Canadian Manufacturers and Exporters	F-220
Mr Ian Howcroft	
Ms Joanne McGovern	E 222
Mr Duncan Green; Mr John Fraser	F-223
Mary Mother of God School	F-226