

**Ontario's Strategy for Deficit Elimination and its Impact on Generation
Screwed**

By: Heather Bone
hlbone@uwaterloo.ca

When exposed by cold, hard, economic facts, Ontario's financial situation does not look pretty. In 2013-2014, Ontario's deficit was more than double that of the Federal government and exceeded the deficit of Canada's 9 other provinces combined. Ontario's debt per capita is the second highest of Canadian provinces, and it is projected to be on the rise. At over \$19,000 per person, we cannot afford for it to go up.¹ The trend was set and maintained by decades of reckless government spending at the hands of all 3 major political parties.

In my eyes, Ontario's government is Canada's least responsible because of their reflectance to reversing this trend. In too many cases, Kathleen Wynne and her caucus have valued their own electoral success over future economic stability.

Wynne's approach to balanced budgets is case and point. While it was encouraging to see balanced budgets become a key issue in the last election, Wynne has introduced several new taxes to try to strike a balance. Her reluctance to a reduction of government spending, however, has put tomorrow's taxpayers at risk.

The costs of big government will only increase over time. The Conference Board of Canada projects that the cost of healthcare will rise from 31 to 42 percent of provincial and territorial revenues by 2020.² Increased taxation may close the revenue gap in the short run, but it cannot be sustained forever. At some point, the tax base will simply not be large enough to support the needs of a large, elderly population, and the government will not be able to increase taxes without threatening economic growth.

The commitment to balanced budgets should be based on principle rather than politics. Anything other than a firm commitment to reducing the operating costs of government is a threat to future taxpayers. One-time sales of government assets, like the Hydro One sale announced in the 2015 budget, do not get to the root cause of deficits. They neglect to change the pattern of wasteful spending that has caused government debt to be a serious problem in the first place.

Ontario's financial situation is far from perfect, and there are countless areas for improvement. The most serious of these is healthcare reform, which is necessary to prevent future debt from spiralling out of control. This could involve small user fees for visiting a clinic, and allowing private entry into the market. If it continues to be avoided for political reasons, the implications are disastrous.

While this is certainly what I would do if I were Premier, the reality is, I am not. It was the voice of taxpayers that put balanced budgets on the agenda and it will be the voice of taxpayers that will ensure it is carried through. It is important that

¹ "Canadian Federal and Provincial Fiscal Tables." Royal Bank of Canada. May 1, 2015. Accessed May 4, 2015.

² Brimacombe, Glenn G., Pedro Antunes, and Jane McIntyre. "The Future Cost of Health Care in Canada, 2000 to 2020." Team Grant. 2001.

we not only fight for balanced budgets today, but for balanced budgets for years to come.