

Radio Transcript: Weekly Ottawa Morning Interview with Rob Benzie (Dec 12)

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OTTAWA MORNING INTERVIEW WITH ROB BENZIE

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Speaker(s): Rob Benzie, Queen's Park Bureau Chief for the Toronto Star

CBCO: Ontario's budget is either in the black or it's running a deficit of \$4 billion. It all depends what you count as an asset. The government says everything is fine. The Auditor General disagrees. And now Ontario's financial watchdog is siding with the AG. Rob Benzie has been covering this issue. He's Queen's Park bureau chief for The Toronto Star. Morning Rob.

ROB BENZIE, TORONTO STAR QUEEN'S PARK BUREAU CHIEF: Morning Hallie.

CBCO: So the Auditor General, Bonnie Lysyk, first flagged this last year. Remind us where this mismatch is coming in the bottom line.

BENZIE: This is about pension assets as around \$11 billion of government cosponsored pension assets and the Ontario Public Service Employees Union Pension Plan and the Ontario Teachers' Pension Plan that the province counts towards its bottom line because it's a holding; it's not a liability. But last year Bonnie Lysyk who used to count these pension assets against the province's bottom line and they've done so for 14 years, changed her tune on the accounting and said they shouldn't be counted anymore. And the government fought back and had an expert panel including the head of the Canadian Actuarial Standards Oversight Council to say that no, Ms. Lysyk was wrong and the accounting was -- the government's accounting was correct and not hers. Well yesterday J. David Wake, who's the financial accountability officer is another fiscal watchdog here at Queen's Park, he said no we agree with Bonnie Lysyk. So there's actually a \$4 billion deficit. It's not balanced next year. Premier Kathleen Wynne said yesterday, "Yeah we're fine. We're sticking with the accounting. But thanks for your input." But it still -- it gives the opposition party some fodder that the books are not in order.

CBCO: Yeah I was going to ask, is this a hit for the Liberals? How damaging is it?

BENZIE: Well it's a double edged sword for the Progressive Conservatives. They want to run an election in June based on the fact that the Liberals are mismanaging things. However their platform which calls for a deficit next year, the Tory platform of \$2.8 billion, their platform is based on the Liberal numbers. So if you believe the numbers of Bonnie Lysyk and of J. David Wake the Tory deficit next year would be closer to \$7 billion. That's a big difference. So it is lovely for the opposition party that the Liberals are looking bad on the books according to these two watchdogs but it's not great when they're basing their own assumptions on those same books.

CBCO: Speaking of what we've got in the coffers in this province a story; something that could really help the bottom line and that is revenue in tax from marijuana. We now know the feds have agreed to give the provinces 75 per cent of those earnings. That's better than 50/50. The provinces must be thrilled.

BENZIE: Yeah they are. I mean Finance Minister Charles Sousa was in Ottawa yesterday to meet with Bill Morneau and the other finance ministers from across the country. Ottawa had gone in or the federal government had gone in saying a 50/50 share is what they'd like to see from marijuana which will be sold for \$10 a gram in Ontario and that's the price across the country I guess. But in Ontario \$10 a gram it'll be sold at government cannabis stores. The Ontario Cannabis Act will pass this morning at Queen's Park and it will formalize the LCBO run monopolies. There will be 40 stores starting January or starting July 1st when marijuana is legalized and yes 75 cents of that -- of the tax; 25 cents goes to the federal government and 75 cents goes to the provinces. The provinces -- it's not just a cash grab for the provinces however. Sousa tells us that they will have to send a lot more money to municipalities for licensing, inspection, policing costs, all sorts of things like that. Remember they are spending quite a lot of money right now closing down the illegal dispensaries that you and I have talked about a lot. There used to be about a hundred of them here in Toronto. There are very, very few left now because they've been raiding them and finding them and all that other stuff because you can't compete with the government when it comes to being the drug dealer in town I guess. So it's a big win though for the provinces; the 75/25 share with the federal government. I think it's something they have been worried about. They were worried that the federal government would keep half and really didn't have to do anything for that half.

CBCO: Another story here Rob. Premier Kathleen Wynne is taking opposition Leader Patrick Brown to court. We talked about this when she first threatened to do it. Remind us what the dispute is over and where Do we go from here.

BENZIE: Yeah it's like 'Breaking Bad' this morning Hallie; drugs and lawyers. So this is the lawsuit that Patrick Brown -- when Kathleen Wynne was going to testify as a Crown witness in the Sudbury by-election trial in September, the day before she went on the stand Patrick Brown said that Ontario has, I quote, "a Premier who stands trial in -- who is on trial," in meaning her government is on trial, he thought she was on trial. He said it in a scrum at Queen's Park. I was there and I actually didn't use the quote that he said because I knew he had made a mistake because of course she wasn't on trial; she was a crown witness in a trial and as it turned out the person she was testifying about was exonerated; so it was her former deputy chief of staff, Patricia Sorbara so that case has now been closed. It was thrown out and it was put to bed. However Wynne has asked Brown for an apology repeatedly. So yesterday she served him with a statement of claim seeking \$100,000 in damages saying that he has to apologize because he defamed her.

CBCO: And he never did apologize.

BENZIE: He's never apologized. And I think he made a mistake. I know he made a mistake with a misstatement but I think he and his team have made a mistake by letting this fester a bit. They are convinced that they will get Kathleen Wynne on the stand in cross-examination and make her look bad. I don't know about that. Kathleen Wynne testified at the trial and didn't look bad and I'm not sure she's going to look bad in a libel suit where she is not in the wrong. I mean he made a mistake. It was -- as our lawyers at The Star said if we had run that quote we would have run a correction or clarification the next day on Page A2 which is the main reason why I didn't use the quote cause I knew it was wrong. So he -- and Mr. Brown is a lawyer so he should have probably just said sorry. At the end of the day it's not a huge deal for him I guess because you know it will just be lawyers, letters and some legal bills that will be paid for by the Tory Party and the Liberal Party. But it does help the Liberal campaign who wants to style him as a kind of 'Donald Trump guy' who makes stuff up, says things and can't be trusted. So in that way they've given some ammunition to the Liberals that they probably didn't have to. All you needed to do was say sorry. The irony is the week before he made his mistake Bill Walker, a Tory MPP, said the same thing on a radio show here in Toronto and actually apologized because Wynne threatened him with a legal letter and Walker apologized right away. So the precedent was set. So I think the Tories have a bit of a legal problem here.

CBCO: Rob thanks for your time this morning.

BENZIE: Thank you Hallie.

CBCO: That's Rob Benzie, Queen's Park bureau chief for The Toronto Star.