Afternoon Energy Media Summary - June 5, 2018

From: "Wade, Helena (ENERGY)" <helena.wade@ontario.ca>
To: "@ENERGY All" <energy-all2@msgov.gov.on.ca>
Date: Tue, 05 Jun 2018 14:58:00 -0400

Good afternoon,

Here's the latest:

- * Ontario Fair Hydro bonds offer fat yield and political baggage – *The Globe and Mail*
- * Who deserves to win in Ontario? Nobody – *The Globe and Mail*
- * The real reason for Hydro rate spikes – *The Hamilton Spectator*
- * GOLDSTEIN: Greens have only honest carbon pricing policy – *Toronto Sun*
- * How the parties say they'll handle green energy – *Chatham This Week*
- * OLIVER: A looming threat to Ontario's economy – *Toronto Sun*
- * North needs own hydro — Libertarian candidate – *The Sudbury Star*

Please see below **Today in Twitter** for news articles:

June 5, 2018

@lzamparo

Replying to @R5D4_rocks @andraydomise

Ontario hydro rates range between 6.5 cents per kilowatt-hour (off-peak) to 13.2 cents per kilowatt-hour (peak). Average price of electricity in the USA across 50 different states: 13.3 American cents per kilowatt-hour. Our hydro is cheaper than in all but 8 American states

@OntarioAgLawyer

First Minister MacAulay said farmers were happy with the # carbontax , then PM made a worrisome remark about # supplymanagement on the weekend. Gov having to be extremely careful with their words, industry is uneasy after last weeks' trade and energy developments. # CdnAg #CdnPoli

@calxandr

« Since 2006, the top rate for power has risen four times as fast as inflation» (@ globeandmail), making Ontario residential rates the highest in 🇨🇦 , while US rate hikes have stayed at or below inflation. Ontario's energy costs are now a major disincentive to invest here. ¼

@laszloenergy

Did you know - on July 1, all large, private building owners in Ontario will be required to report energy and water consumption? Get in touch with @ laszloenergy for compliance assistance, and to discuss how you can cut energy consumption and costs buff.ly/2L9eryu

@NoLore

Listening to a small business owner name all the problems with Ontario's energy and manufacturing industries and then say he's voting for the party that created the mess and will make things worse is so sad # onelxn

@sunlorrie

Except not all the issues are out of the closet. For ex, because of the Liberals, the Auditor General, the Financial Accountability Office and the Ontario Ombudsman no longer have the power to investigate Hydro One. The legacy of the Liberals is going to be around for a long time

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Ontario Fair Hydro bonds offer fat yield and political baggage
Maciej Onoszko
Bloomberg News via *The Globe and Mail*
June 5, 2018

Sometimes even a juicy yield offered by a government-backed issuer at a time of near-record low interest rates isn't enough to entice some bond fund managers.

That's the case of Fair Hydro Trust, a complicated piece of bond-market engineering designed to finance cuts to Ontario's soaring hydro bills by adding as much as C$20 billion ($15 billion) in long-term debt. The program, unprecedented in Canada, has been lambasted by the province's accounting watchdog and spurned by asset managers like Jeff Herold of J. Zechner Associates, who's passed on buying the securities.

"The reduction in electricity charges is just a craven attempt to disguise the government's bumbling mismanagement of the energy sector," said Herold, who oversees C$2 billion as chief executive officer of the Toronto-based fund manager. "Fair Hydro Trust is bad policy and buying it would encourage governments to do similar deals in the future."

The Fair Hydro Plan has become an unlikely flashpoint in a June 7 election in Canada's most populous province with critics labeling it a blatant attempt by Premier Kathleen Wynne's government to curry votes that will leave electricity users footing the bill. The government argues it's a fair way of sharing the cost of funding green power with future generations who will benefit from cleaner air.

Adjustment Charge

Cutting hydro bills was the easy part. Coming up with a framework that would cover the revenue shortfall for power-distribution companies without breaking the Liberal government's promise to climb out of deficit was a bit more complex. Enter Fair Hydro.

Under the plan, a new Clean Energy Adjustment charge will be added to electricity bills in May 2021. Fair Hydro Trust, an entity managed by provincially owned Ontario Power Generation, will buy rights to these charges from Ontario's Independent Electricity

System Operator, financed by debt that uses the charges as collateral.

The trust has made two forays into the bond market so far, raising C$900 million in February and April offerings lead by CIBC World Markets, Goldman Sachs and RBC Capital Markets. In its inaugural transaction it sold C$500 million of 15-year bonds with a 3.357 percent coupon. They priced 92 basis points above federal bonds, or around 21 basis points over Ontario's bonds. The deal attracted 36 buyers, according to people familiar with the matter, fewer than a typical investment-grade corporate bond that gets distributed among institutional investors in the same way.

Balanced Budget

Both of Fair Hydro's bonds are doing well in the secondary market, trading above par and outperforming Ontario bonds. Ontario's bonds have dropped 0.1 percent since the first Fair Hydro bond was sold in February, while the trust's bonds generated a 1.7 percent return, according to data compiled by Bloomberg. The program is expected to peak at almost C$20 billion outstanding by 2029 and mature in 2047.

The plan allowed Finance Minister Charles Sousa to announce that the government had balanced its books as promised in fiscal 2017-18 while still cutting hydro bills by 25 percent. That was a significant reprieve for Ontario rate-payers who had seen residential bills rise about 70 percent between 2008 and 2016 compared with an average 34 percent across Canada, according to a Fraser Institute report.

Auditor's Censure

But the plan has drawn a rebuke from the Auditor General of Ontario who said in a report the government was "making up its own accounting rules" by creating "a needlessly complex" structure that would cost Ontarians as much as C$4 billion more in interest expense. The government, the auditor said, didn't keep the office sufficiently informed about the plan as it was "acutely aware" the auditor would take issue with it.

"There was a willingness to incur an additional cost in order to get the accounting solution that they wanted," Auditor General Bonnie Lysyk said in an interview in Bloomberg's office in Toronto. "They intentionally kept us out of the discussion."

Other bond market investors are also skeptical.

"It's typical government mismanagement and focusing on popularity today and not the long-term fundamental health of the province," said Mark Carpani, who helps manage C$1.2 billion as head of fixed income at Toronto-based Ridgewood Capital Asset Management and is also staying clear of the debt.

Fairer Way

"The creativity entails a lot of fixed costs," added Randall Malcolm, managing director for total return fixed-income at Sun Life Investment Management in Toronto, which has C$37 billion in money market and fixed income assets and doesn't hold Fair Hydro Trust bonds.

For its part, the government said the plan meets Canadian public sector accounting standards and has been approved by top accounting firms including EY and Deloitte, the Office of the Provincial Controller, and numerous third-party advisers. "It is a fairer way to pay for our electricity investments, and it keeps the cost of borrowing within the rate-base, not the tax-base, because that's the logical thing to do, and that is how it has been done for decades," Drew Davidson, a spokesman for the Ontario Liberal Party, said in an email.

Both the premier's office and the Ministry of Energy declined to comment saying they're in caretaker mode during the election period.

Liberals Lag

If the government had hoped to garner votes with its electricity-price cut, the plan has badly misfired. A poll tracker from the Canadian Broadcasting Corporation has about an 82 percent probability of the Progressive Conservatives, led by Doug Ford -- brother of late Toronto Mayor Rob Ford -- will win the election. The party is running neck-and-neck in the popular vote with Andrea Horwath's New Democratic Party. Wynne's Liberals are staring at an historic defeat.

While the structure is new to Canada, it's relatively well-known in the U.S. where utilities have been issuing securities backed by cost-recovery charges since the 1990s. In 2013, New York State set up an agency that issued bonds backed by customer charges to help retire debt of the Long Island Power Authority after Hurricane Sandy left 90 percent of the utility's customers, or 200,000 homes, without power.

But Fair Hydro bonds aren't the same proposition, said Bill Girard, a portfolio manager who helps oversee about C$30 billion in fixed income at 1832 Asset Management LP.

"No infrastructure was paid for from the proceeds of these or future issues," like other issuers which were used to fund actual power assets, Girard said.

Debt issued by New York's Utility Debt Securitization Authority got AAA ratings, while Fair Hydro Trust received a rating of AAA at DBRS and lesser Aa2 rating at Moody's Investors Service. Both DBRS and Moody's listed a change in the program -- perhaps by a new government -- as the top challenge to the trust's ratings. While Ontario has agreed to guarantee the trust's debt-service payments upon legal changes, the pledge is not as robust as in U.S. programs, the rating company said.

Both Ford and Horwath have both said they want to cut hydro rates further and whoever wins will have to deal with a bond-market legacy designed to offer short-term relief for long-term cost.

"They basically kicked the can down the road," according to Anthony Scilipoti, chief executive officer of Veritas Investment Research which said in its report that Ontario used a flawed and misleading approach to Fair Hydro Plan's accounting. "The reality is our children have to cover this debt."

Who deserves to win in Ontario? Nobody
Margaret Wente
The Globe and Mail
June 5, 2018

People gave Ontario Liberal Leader Kathleen Wynne a lot of grief over the weekend for admitting that the party was going to lose this week's election. Personally, I thought it was a refreshing burst of candour. "Vote for us because we can't possibly win" may be an unusual rallying cry. But there's a significant slice of the electorate for whom strategic voting has strong appeal.

"I can't stand the Liberals," my friend Bernie told me. "But I hate the Conservatives and the NDP, too. What I really want is a minority government where nobody can do anything really bad. So maybe I'll vote Liberal."

I've got to say I sympathize with him. What I really want is a minority government that doesn't last long and then a do-over with a different bunch of leaders. Is that too much to ask?

The irony of this bizarre election is that Ontario is not a wacky province. We are, generally speaking, a prudent, dull and middle-of-the-road sort of place. We don't usually go in for separatists, socialists or right-wing rabble-rousers. It feels as if we got into this mess by accident.

And in truth, we did. To start with, it's a fluke that Ms. Wynne was ever elected Premier at all. Back in 2014, people were all set to kick the Liberals out. Then the Conservative leader, Tim Hudak, started muttering about firing public-sector employees and bringing back chain gangs and everybody stampeded to the other side of the ship.

Only a few months ago, this election was still shaping up as a conventional contest between a clapped-out centre-left governing party, a weak NDP with a mediocre leader and a moderate Progressive Conservative party with a young, energetic new guy. It was widely thought that all Patrick Brown had to do in order to win was stand there. Then came allegations of sexual misconduct. Fair or unfair? In a #MeToo age it didn't matter. He might as well have had the plague. The party cut him loose within hours. The ensuing leadership convention was won by Doug Ford, a complete outsider, under arcane voting rules that nobody understands.

Now, it's a neck-and-neck race between a populist who's promising buck-a-bottle beer and earnest left-wing striver Andrea Horwath. Is it any wonder some people are so desperate they'll vote Liberal?

There are two reasons for the voters to be dismayed by the choices that confront them. One is the quality of the leaders. The other is their policies. Radio host Charles Adler had this to say on Twitter (since deleted) about last week's debate performance by Mr. Ford: "[H]e looked as credible as a small town Alabama faith healer." As for Ms. Horwath: she's likeable, but no deep thinker. She'd be a very good community organizer.

Ideologically, the two are poles apart. But neither of them has a clue how to address the challenges that face Ontario, including our mountainous debt load. Their platforms (such as they are) are both economically ignorant and fiscally reckless. If you happen to be any kind of fiscal conservative, you're out of luck.

Who is Ontario Proud and why is it texting you?

Take electricity – a policy screw-up that has compounded over many years and cost taxpayers many billions. Neither Mr. Ford nor Ms. Horwath are honest about either the problems or the answers. Both blame high hydro rates on Hydro One, which is ridiculous. (Hydro One delivers the electricity, but the rates are set by an independent agency.) Ms. Horwath wants to reverse the sell-off of Hydro One and cut hydro bills, although she won't say how. But her plan is no more incoherent than Mr. Ford's, who promises to fix the whole mess by firing the allegedly overpaid Hydro One chairman (which he has no power to do). Both plans, if executed, would pile mountains of debt on to future taxpayers.

You don't have to be a hydro expert to get the point. These people can't be trusted not to make a bad situation worse. On the whole, we Ontarians are not highly ideological people. All we want is a pair of reasonably safe hands on the wheel. And what's on offer is a couple of folks who you wouldn't trust to drive a golf cart.

The real reason for Hydro rate spikes
Paul Kahnert
The Hamilton Spectator
June 5, 2018

In the 1990s the marketization of electricity was all the rage, The Harris government quickly bought into the ideology and endlessly promised that a deregulated electricity market would lead to "increased efficiencies and lower rates". It was Enron who invented the deregulated electricity market. Enron committed one of the biggest corporate frauds in History. The Enron electricity market was designed to do one thing, maximize profits. The record of electricity markets everywhere is dismal and they are notoriously easy to manipulate.

When deregulated electricity markets were introduced in Alberta, rates tripled, in Montana, rates quintupled, in California rates went up ten times the amount and resulted in blackouts and a huge crisis, India was almost bankrupted, in Auckland New Zealand an incredibly long blackout occurred because of a lack of maintenance to maximize profits. In Europe since 2010 most electric and water utilities that were leased to the private sector have now been returned under public ownership and control. Ontario is just another in a long list of deregulated, electricity markets that failed. For over 94 years our public power system was our competitive advantage. It returned profits to the citizens and businesses of Ontario through low and stable rates. It made Ontario a great place to do business. We need it back again. This is the third provincial election in a row where Hydro has been one of the main issues with no debate between the three leaders on this issue. The people of Ontario have never wanted their hydro privatized or marketized. Neither the Liberals nor the Conservatives have ever had a mandate from the people to do it.

Doug Ford has repeatedly promised to clean up the hydro mess and cut rates by 12 per cent. How is he going to cut rates, with more Enron style accounting? Doug needs a history lesson on the root cause of soaring Hydro rates. Doug Ford is also promising to make Ontario the economic engine of Canada again. For 94 years Ontario was the economic engine of Canada because of its public power system. The fact is that the conservatives and Liberals have been partners in Hydro privatization. from the very beginning of the hydro privatization enabling legislation in 1998, Every single Liberal voted for Bill 35, including Kathleen Wynne as did every single Conservative. Every single NDP member voted vociferously against Bill 35. In the 2003 provincial election the main campaign plank of the NDP was public power. On Sept. 5 2003 low in the polls McGinty takes the main campaign plank of the NDP and promises to end deregulation, close the Electricity market and bring back public power. When the Tories lost the court case in April 2002 to sell Hydro One because it was proved they didn't have the legal right to sell it, they marched right back into the legislature and forced Bill 58 through. that gave the government the legal right to sell Hydro One. It was this Tory legislation that

Kathleen Wynne used to sell Hydro.

Andrea Horwath could rightfully say that the NDP was right all along on the marketization and privatization of Hydro, why isn't she?

Kathleen Wynne is going to lose this election very badly because of her sale of Hydro One. Let that be a warning to every present and future politician, that if you privatize hydro you will be humiliated on election day.

Installing a deregulated electricity market and privatizing Hydro One was a terrible mistake. As long as the phoney Enron designed IESO electricity market and hydro deregulation remains in place, the people and businesses of Ontario will suffer endless hydro rate spikes and no amount of dishonest rate reductions and rate freezes will solve the problem.

Paul Kahnert, former Ontario Electricity Coalition spokesperson

GOLDSTEIN: Greens have only honest carbon pricing policy
Lorrie Goldstein
Toronto Sun
June 5, 2018

Green party leader Mike Schreiner, who's running in Guelph, has adopted a novel tactic to try to make history Thursday by becoming Ontario's first Green MPP.

He's being honest with the public, starting with the Greens' signature issue — climate change and carbon pricing — since he's the only leader not talking gibberish on the subject, unlike the heads of the NDP, Liberal and Progressive Conservative parties.

Schreiner's policy is called carbon fee and dividend.

Under it, all revenue raised from carbon pricing is returned to the public through equal dividend cheques mailed to every adult in the province — creating a real-world, market demand for low-carbon goods and services.

This is supported by everyone from moderate Republicans in the U.S. to James Hansen, the former NASA scientist who is the father of man-made global warming theory, and is head and shoulders above anything the other leaders are advocating.

By contrast, outgoing Premier Kathleen Wynne's cap-and-trade scheme, which NDP leader Andrea Horwath supports with minor modifications, is a hidden, $2 billion-a-year cash grab from Ontarians, with little environmental benefit, as reported by Auditor General Bonnie Lysyk.

Basically, it's the government profiting from pollution.

PC leader Doug Ford says he'd scrap cap and trade and take the Trudeau government to court for imposing carbon pricing on Ontario.

But he dodges questions on how he'd lower industrial greenhouse gas emissions linked to climate change, given that he says he believes in man-made global warming.

Schreiner would scrap Wynne's Fair Hydro Plan, reducing electricity rates by 25% for four years, arguing it's absurd to spend up to $93 billion over 29 years to save consumers $24 billion on their bills, most of which will go to wealthier Canadians who consume the most electricity.

The Greens would offer targeted hydro rate relief to low-income Ontarians instead, saving up to $61 billion, or $3.5 billion annually, that could be better used for funding clean technology and other initiatives.

Schreiner says Ontarians aren't enthusiastic about any of the three main party leaders, knowing we can't spend our way to prosperity as Wynne and Horwath advocate, or cut our way to it as Ford believes.

By contrast, he said, the Greens are interested in practical solutions to problems, such as funding Ontario's hike to a $15 minimum wage on Jan. 1, 2019 by lowering payroll taxes to small businesses.

The Greens would pay for this with a 1.5% increase to corporate taxes, with half of the $2-billion-a-year raised paying for the small business tax cut and the rest earmarked for debt reduction.

The public doesn't mind paying taxes if they can see they are actually fixing problems, Schreiner said.

For example, addressing the fact almost half of all visits to hospital emergency rooms, which are extremely expensive, occur because people don't have access to a family doctor.

The Greens would increase the number of nurse-practitioners and community health centres, Schreiner said, while growing revenue to pay for better public services through such measures as increasing mining royalties paid by industry to the government.

I disagree with Schreiner's position he's prepared to be arrested to protest infrastructure projects which he believes harm the environment — as federal Green leader Elizabeth May was in protesting the Kinder Morgan pipeline.

But he'd still be an asset in the Ontario legislature, where straight talk on issues like carbon pricing is desperately needed.

Five Green party priorities:

- Introduce revenue neutral, carbon fee and dividend carbon pricing, to address climate change.
- Champion small business and clean energy jobs.
- Create more affordable housing by changing zoning and planning rules and introducing a housing speculation tax, to help the most vulnerable find decent accommodation.
- Pay for all mental health and addiction services fully under OHIP, using $500 million in savings identified by the 2012 Drummond report, which the Liberal government requested before ignoring many of its recommendations.
- Introduce legislation to permanently protect Ontario's prime farmland and source water regions.

How the parties say they'll handle green energy

Ellwood Shreve
Chatham This Week

June 5, 2018

It plunged Ontario headlong into green energy nearly a decade ago, making Southwestern Ontario the province's Ground Zero for costly wind energy projects that have divided many communities and become a lightning rod for soaring electricity prices.

But with Ontario's Liberal government facing certain defeat in Thursday's provincial election, and even Premier Kathleen Wynne herself admitting the Liberals' 15-year run in office is over, the question now is what would a Progressive Conservative or a New Democratic Party government do with green energy?

The answers, say a veteran industry analyst, aren't exactly clear.

Both the PCs and the NDP are "a little bit sketchy on the specifics of the renewable energy story," said Tom Adams, an electricity consultant and researcher.

Only a small portion of Ontario's electricity supply, green energy quickly became a flashpoint as costs and opposition soared when the Liberals signed up wind and solar producers, including large energy giants, to lucrative, long-term contracts paying them far more than what consumers pay for power.

Adding insult to injury in wind-blown Southwestern Ontario, where many communities declared themselves "unwilling hosts" for the mega-projects, the government also stripped municipalities of local control over where such energy projects could be located under its Green Energy Act in 2009.

Wynne promised a more sensitive approach than her predecessor, Dalton McGuinty, but a Chicago-based company's wind farm was still imposed on one Southwestern Ontario community, Dutton Dunwich, even after residents voted overwhelmingly against wind turbines.

The Liberals' embrace of green energy came as they moved to close the last of Ontario's coal-fired power plants, including the Lambton generating station near Sarnia, and to make needed investments in the power system they insist were neglected for decades by governments of all stripes in Ontario.

Southwestern Ontario quickly became home to the largest wind farms and the most wind turbines.

Doug Ford's PCs say they'd scrap the Green Energy Act, slap a moratorium on new energy contracts and try to renegotiate existing ones if they can. They'd also restore local decision-making over the projects.

Adams say he agrees with the PC plan to scrap the legislation, but said it's deeply intertwined now with how Ontario's power system works and the PCs haven't explained how they'd replace it.

"You simply can't rip it up, you have to actually replace it with something," he said.

Adams said the NDP has had a consistent record supporting expanded renewable energy projects, noting they voted with the Liberals to pass the Green Energy Act. The difference between the NDP and Liberals is that NDP wants the government, not the private sector, to develop green energy, he said.

But Adams also points to inconsistencies in the NDP message on its hydro plan, saying some days they say there will be a rate reduction of up to 30 per cent for some customers and other days, it's a 30-per-cent rate cut for everyone.

"Where they do attempt to explain how that 30 per cent is going to come about, their explanations are nonsense," Adams said.

Soaring electricity prices were an Achilles Heel for the Liberals, dogged by business and household hardship stories. In late 2016, Wynne apologized for not paying "close enough attention to some of the daily stresses in Ontarians' lives," citing electricity costs as an example.

But while the government moved to provide relief, effectively extending billions in costs far out in time like a mortgage, it came after Ontario's own auditor general, in a scathing report, found Ontarians had paid $37 billion more than needed in electricity costs over nearly a decade, with an even larger hit to come - a result blamed on poor decisions, overpriced green energy and other factors.

Politically, the Liberals also took a hit from their move to sell off a majority stake in Hydro One, the provincial power distributor, to raise money for infrastructure projects.

The NDP has pledged to buy back Hydro One and eliminate the difference between what rural and urban consumers pay for power delivery. But, said Adams, "none of those things translate into big rate reductions across the board."

Ontario is Canada's largest wind energy market, able to generate 5,000 megawatts of power with 2,550 wind turbines, the Canadian Wind Energy Association, an industry umbrella group, says.

In Southwestern Ontario, the industry has run into many opponents including citizens' groups turned off by the sight and noise of the projects and concerns about their fallout on human health.

Government promises made to unwilling host communities have amounted to "lip service," said Bonnie Rowe, a spokesperson for Dutton Dunwich Opponents of Wind Turbines.

Noting NDP support for green energy, she said, "I expect that would continue" if Andrea Horwath becomes premier, while Doug Ford "would potentially stop projects," given where the PCs stand.

In Chatham-Kent, the group Water Wells First has fought for two years against a wind farm, claiming vibrations from its construction and operation have clogged more than 20 water wells with sediments.

Spokesperson Kevin Jakubec said a new government would be "a chance to reset, it's a chance to start afresh and address the mistakes that were clearly made during the Liberal administration."

He believes the NDP would make a difference, because it "has a well-established platform on water," seeing it as "a public trust." The PCs, on the other hand, were the party under whose watch Walkerton's deadly tainted waster disaster occurred, he noted.

The wind energy association said it stands ready to work with whatever government Ontarians elect.

WHERE THE BIG THREE STAND

LIBERALS: Plan to keep Green Energy Act; cancelled plans for 1,000 megawatts of new green energy.

PCs: Have pledged to scrap Green Energy Act and halt new energy contracts while trying to renegotiate existing ones. The PCs say they'd also restore local decision-making powers to municipalities.

NDP: Says renewable energy would be at the heart of the system and be integrated responsibly as needs grow; says it will respect local decision-making and make sure communities have a stake in the benefits.

OLIVER: A looming threat to Ontario's economy
Joe Oliver
Toronto Sun
June 5, 2018

Be afraid, be very afraid.

Polls suggest the Ontario election has narrowed and the NDP may deprive Doug Ford of his coveted majority. A plurality might even be within its reach. That would be a major problem since an NDP government would have serious negative consequences for the Ontario economy.

In spite of her smiling demeanour and agreeable personality, Andrea Horwath's high tax-and-spend policies reflect a harmful socialist agenda — big government, fiscal profligacy, capture by union leadership, hostility to job-creating businesses, costly ideological obsessions, and socially divisive programs. This is not partisan alarmism. It's a conclusion based on her election platform, her comments and the track record of provincial NDP governments.

The Ontario economy is struggling. It is the largest subnational debtor in the world, with a crushing provincial debt of $325 billion and interest payments of $11 billion annually, greater than the budget for colleges and universities. High energy costs have eroded businesses' competitiveness, especially in the manufacturing sector. This was exacerbated by the dramatic decrease in U.S. corporate taxes from 39% to 26% compared to about 27% here, before Horwath's promised 1.5% tax hike.

Capital is flowing out of Ontario and exports are in jeopardy. The province's credit rating has deteriorated to the point that for the first time, Ontario bonds have a lower rating and trade at higher yields than those of Quebec.

To make things more alarming, we are ending the ninth year of an economic recovery, meaning an economic slowdown or recession is highly likely during the term of a new government. Pressure for stimulative spending to counter a downturn will be intense, automatic stabilizers, like social assistance programs, will kick in, and government revenues from taxes will decline with reduced corporate profitability. Deficits could then spiral out of control and we would face a credit crisis.

Instead of preparing for the inevitable rainy day, an NDP government would do the opposite. Horwath intends to spend $30 billion more over the next five years and has no path to a balanced budget. She would raise taxes by $20 billion, which shows that asking the wealthy to pay a little more is NDP speak for taxing the middle class a ton.

Ontario represents about 38% of Canada's GDP, so what happens here will affect the entire country. When I was minister of finance, we worried about the direction of Ontario's economy. Now the alarms bells are deafening.

There are other problematic platform promises. Horwath would repurchase all the shares of Hydro One held by private investors, which means reneging on a commitment to investors not to increase government ownership. The buyback would be financed from Hydro's dividends. In contrast, Doug Ford promised to send dividends to residential, small business and farming ratepayers, thereby reducing their rates by 5% or an average of $70 a year. Finally, Horwath's proposal would take about 30 years to complete.

Howarth was clear that she would never legislate a striking union back to work, thereby putting the interests of teachers before our children. Also, we know Ontario students do not test well. Rather than improving education, she would remove the embarrassment by eliminating the tests. And the list goes on, including candidates with limited relevant experience but disturbing and radical opinions.

This election presents a stark choice between an NDP leader who would double down on failed Liberal policies that inflicted terrible harm on the economy and Ontarians and a Progressive Conservative centrist who cares about people and would put us on the road to recovery. All the smiling and spinning won't change that reality.

Joe Oliver is the former federal minister of finance and chairman of Echelon Wealth Partners

North needs own hydro — Libertarian candidate
The Sudbury Star
June 5, 2018

1. Why are you running?

After years of being unhappy with government policy and being unable to effect change from the outside, I believe it's time someone steps up to look out for the North's best interests and puts some common sense back into government actions and sees tax dollars as their own hard-earned money not to be wasted

2. What are your qualifications for political office?

As this is my first time running, the only qualifications I have is from living my whole life in the North, having been unemployed, on social assistance and employment insurance, put myself through an apprenticeship and college while being a single dad, and having struggled to get through life without being rich. I truly can understand what government has done to taxpayers and what changes need to be done to make Ontario a prosperous place to live and raise a family, and why we need our rights and freedoms returned to us at no cost from government.

3. What makes you stand out from the other candidates in your riding?

I stand out from the other candidates because I bring in a realist attitude, common sense views, blunt honesty and truth, as well as having the upmost respect for all of Ontario's diversities, and I know from a poor man's perspective what will actually help the people of the North and that I will voice myself for the North in Queen's Park as few others could.

4. What are your top priorities?

My top priorities for Northern Ontarians are to lower taxes, make the North a job magnet by enabling the use of our natural resources and to feed the returns to the North, fix the health-care funding problems, restore our rights and freedoms, and work with all native peoples to make the North the best place to raise a family and earn an honest, adequate living where we all prosper.

5. Northern Ontario has struggled economically compared to other parts of the province. How would you change that?

I'd like to create a new electric company in the North that would purchase our hydro electric stations and many of our local energy sources, as well as a large portion of our transmission systems, so we could create a local market with affordable energy prices that, in turn, would attract new businesses as the rates would be much more affordable and thus infusing our local economy with new jobs and funds that would help diversify our economic position. I would also like to review and remove as much red tape legislation as environmentally possible when it comes to creating new mines, mills, manufacturing plants, redevelopments of older sites and lower tax rates to create a thriving area where businesses want to setup as opposed to leaving our province for more profitable locations.

6. Should Northern Ontario be given more power to control its affairs?

I stand firm in my beliefs of the North needing more local control over its affairs as the southern areas have a completely different economic environment and they cannot fully understand our economic situations and for this reason alone, I would fight for that right on behalf of all my local constituents.

7. What would you do with the Northern Ontario Heritage Fund?

I would review the successfulness of the heritage fund before making any changes to the program as it is beneficial to the North and we need incentives to promote growth in our area. That being said, I am a firm believer in ending corporate grants, bailouts and funding to help reduce the cost and size of our government so we can start reducing the debt burden on our taxpayers that will allow for lower taxes.

8. What are your thoughts on the Ring of Fire?

I believe the Ring of Fire will help our northern economies, but we need to push through the construction of roads to get the project off the ground before spending any more tax dollars or partnering with any companies as I feel that this project has been slowed by many of the 380,000 regulations in Ontario

9. Are you committed to finishing the four-laning of Highway 69?

I am committed to the completion of the four-laning of Highway 69 as it will help with economic development in the future, as well as making it a much safer highway for all to travel along. I would like to see the same done to Highway 17 once 69 is completed.

10. How would you improve health-care in Sudbury?

I'd like to concentrate on all health care concerns not solely in Sudbury by abolishing the local health integration networks created in 2004. I'd also like to change legislation preventing private funding of health care services and open new avenues for health services to create new non-government funding resources, which should allow for a much more fiscally sound operations around the province, as well as reducing the bureaucratic positions that are funded with health care monies as nearly half of the budget is spent on non-front line services. Furthermore, I'd like to prevent future government funding for CEO positions by allowing hospitals to find alternate private funding measures to cover any of their salaries, as I believe managerial positions should not be covered by funds allocated to front line services for health care.

James Chretien is the Libertarian candidate for Nickel Belt.

Helena Wade
Program Officer – Media and Issues
Ministry of Energy
647-622-4138