MOF Media Summary - Nov 27

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*No media requests today.

Minister Sousa Scrum – November 27, 2017

(Benzie) What do you think about the tax cuts, sound pretty attractive doesn't it?

- It doesn't add up. I mean, here's a plan that asking for cuts in revenue, increasing in expenses, and it doesn't add up. I mean, you just can't trust these numbers.

(Benzie) Were you surprised they would run a deficit of $2.8B in their first year of government, when you plan to be in the black, and then a year later promise to pay down the debt by a billion dollars?

- Yeah, but their numbers show that they're going to be in deficit still because its… they're making assertions about some pretend savings, which we already are doing, and they're going to make substantive cuts to spending, which again is undetermined. I suspect their deficits are going to be continuing and this coming from an individual who has a history of supporting deficits, he supported the largest defect in Canadian history a $55 billion deficit, the largest debt increase year over year when he was in the federal government.

(Benzie) That was during a recession though, in fairness…

- Here he is, issuing the same plan. He's going into deficits. The first step in managing debt is to eliminate the deficit and control the debt through the measures we're taking now, and so, you'll have to ask him how he intends to do that.

(Benzie) The Tories now accept your version of the books and not the AG's version, am I reading it the same way as you guys? They now accept your assertions even though before they were saying the auditor was right and you were wrong.

- So, our books, our last public accounts, reinforces the fiscal prudence that we've put in place, recognizing the stimulus we've put in our economy to grow it, we beat our targets by over $3 billion again just last year and our deficit came in under a billion so it's already on its way to balancing this year. It's evident that they're using our fiscal plan and they're now just adding more expenses to our plan. We are the leanest government in Canada, we are the lowest revenue per capita also in Canada, so we are competitive in that regard, but they have no fiscal prudence in their plan, they've taken no measures to plan for reserves or contingencies. That's very risky. And he just can't be trusted with what he's putting forward.

(Benzie) But they're counting the pension assets, to their bottom line, the way you count them, but the AG is saying that shouldn't be counted, so I'm just curious, are you somewhat heartened that they are now saying you guys are right and she's wrong?

- I mean, the opposition, the public and investors around the world recognize that the accounting treatments of those assets are what accountants are saying should be. So I'm not disputing the accounting measures, those are also the ones that are actually provided by international standards and that is what is available to us. My concern is his projection to find savings to the system when we're already are doing those measures through our PIRT program, we are finding a million in savings every year. My concern is his desire to find further cuts. And find increased spending with reduced revenues. In fact, he's claiming to provide for a much more expensive carbon tax proposal, twice as expensive as the one we have now and that I think is going to put our economy at risk.

(Crawley) Do you have room for a tax cut?

- It's important for us to make Ontarians competitive and we've already instituted tax cuts for small business. We already have the lowest taxes for PIT's in the ranges that are being proposed. It's always important for us to be competitive. It's always important for us to afford the measures that enable Ontarians to have great health care, strong education, free tuition, free pharmacare for those under 25 and for those over 65 with all the supplements we're putting in place, those are important for us, those programs and services are important for us. We also need to remain competitive. We are increasing wages. We are having over 800,000 net new jobs in our economy. There's more new investments coming our way than any other parts of North America with foreign direct investment. These are all indications of a strong economy. To take measures that he's proposing, that are short sighted, not beyond election cycles, with hazardous cuts to the economy, I think are problematic.

(Crawley) Are you saying that the income tax cut is hazardous to the economy, are you ruling out the idea of an income tax cut?

- I'm arguing that he isn't actually giving you a tax cut, he's giving you a tax increase because in effect he's providing a carbon tax which is greater than any tax he's proposing.

(Randy CHCH) Do you like his new hair cut?

- An individual, regardless of political party, I mean I can appreciate, for me, good public policy has to be good economic policy, his policies aren't good for the economy, regardless of his haircut. His haircut is only overall problematic of overall cuts he's proposing for our economy.

(Smith Cross) They're planning to spend more over four years than they plan to bring in with revenue and they're also proposing to pay down the debt by a billion dollars, you're a finance minister, how is that going to work?

- You're going to have to ask him. How is he going to make it work? It doesn't add up. And he can't be trusted to provide for an improvement to our overall debt because the first step toward controlling overall debt is to balance the budget, to eliminate the deficit. He's proposing greater deficits going forward. That is not controlling debt and furthermore, I already have in our plan for the next number of years. I've locked in at low cost, we have over $30 billion in liquid reserves today. This is important for us to afford the investments in the programs that we're making going forward and that makes us competitive.

(Smith Cross) They have committed to using surpluses to pay down the debt. Is that a bad idea in your view?

- Well, again, you have to plan for those program investments, right? Here we are $190 billion in infrastructure investments over the next 13 years to enable us to be more competitive. Every dollar we invest in infrastructure we get $6 back in GDP growth. That growth in GDP is just as important as managing and controlling our debt so we can afford those things. That's in our plan. Our Debt to GDP is actually going down to 37% and improving further.

(Smith Cross) Will your platform have any significant new spending?

- We have some of the most progressive measures and supports for Ontarians in Ontario's history. Free tuition, free pharmacare, 100,000 more childcare spaces and the infrastructure spending that we're putting forward. The cuts we've made to small business taxes. All of that enables us to be competitive and they voted against all of those measures that makes our economy stronger. We'll see what they can do and if they're going to be able to detail how they can afford these things. My plan has been very specific, consistent year over year, and we've beaten our targets because of the steps we've taken.

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