Morning media coverage

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Good morning Minister,

A few good stories this morning breaking down the PG released this weekend. Summaries and articles below. Reminder that you are being briefed as if you were acting Premier this morning. So we'll head to the vault at 10!

In other news, Andrea Horwath has an opposition day motion later today on buying back the shares of Hydro One.

Premier's Take on PG
Benzie has an article highlighting the Premier's take on the PG. In an interview to the Star during her tour, she highlighted that the platform is going to result in serious cuts. She said, " 'efficiencies' has always been code for 'cuts' for Conservatives." She also notes that the platform retains many of the policies we have unveiled – 100,000 child care spaces, electricity rate reduction, investments in TTC.

PG – Carbon Tax
The National Post is reporting that the carbon-tax policy set out by the PC's is a "fiscal shell game." Yesterday, Andrew Coyne of the Post reported that the PG is "mostly a load of vapid mush," pointing out not a single program that would be cut and not any discussion on how the new tax credits and programs would be paid for. Today, Terence Corcoran reports "What the headlines don't explain is that the 22 per cent tax cut for middle-income taxpayers will be paid for by an 81 per cent increase in the existing 14.7-cent provincial tax on a litre of gasoline. As with all carbon taxes, the tax is paid disproportionately by lower-and middle-income taxpayers."

Cannabis Retail – Cambridge
MPP McGarry released a statement about Cambridge being included for a cannabis retail store. The story is running in the local Cambridge Times and the full list of municipalities identified has not yet been publicly released. The story is essentially a rerun of our news release on the municipalities selected, outlining the engagement we have undertaken, how many stores there will be, and the safe/sensible framework we are following.

1. Tory promises code for 'cuts,' says Wynne; Premier responds to Brown's platform, saying spending already 'leanest per-capita'

- **Toronto Star**
- **Wed Nov 29 2017**
- **Page:** A9
- **Section:** News
- **Byline:** Robert Benzie Toronto Star

In the People's Republic of China, Premier Kathleen Wynne is seeing red over the Progressive Conservative People's Guarantee manifesto.

As in red ink - and blood on the floor from anticipated budget cuts.

Speaking to the Star from Nanjing - a stop on her two-week trade mission to China, Hong Kong and Vietnam - she was incredulous about Tory Leader Patrick Brown's campaign platform unveiled Saturday.

"We've been waiting for quite awhile to see something substantial come out of Brown and the Conservatives. So we've seen those now and the thing that jumps out at me is the pretty serious cuts," **Wynne** said.

"We're the leanest per-capita program spending government in the country," added the premier, who has read the Tories' 78-page platform. "So to suggest that there's this bloated government and you can come in and slash $12 billion and nobody will feel pain is nonsense," she said. "

That's a reference to Brown's pledge to cut income taxes, eliminate the cap-and-trade climate change plan that brings in $1.9 billion annually, and conduct a "value-for-money" audit to find $6.1 billion in savings over three years if elected.

"I mean 'efficiencies' - that's the language that they use - and in my experience, 'efficiencies' has always been code for 'cuts' for Conservatives," **Wynne** said.

"Conservative leader after Conservative leader has talked about efficiencies so we're looking at . . . a scale of $12 billion. In reality, it would be impossible to realize that kind of cut without cutting education and health care in some way."

Campaigning at a Scarborough manufacturing plant, Brown insisted "every Ontarian is going to pay less" under his People's Guarantee plan, which will also bolster services.

"Under Kathleen **Wynne** , you work harder, you pay more, and you get less. This is not right and this is not fair."

He is promising to reduce **hydro** rates by 12 per cent, invest $5 billion in a TTC subway network that will be uploaded to the province, reduce middle-class provincial income tax rates by 22.5 per cent, and enable parents to write off up to 75 per cent of child-care costs while boosting the number of daycare spots by 100,000.

Wynne said some of that seems to be cribbed from the Liberals.

"It's great that they have now come around to acknowledging that they agree with our Fair **Hydro** Plan because, I mean, they want to add to that," she said, referring to the Liberals' 25-per-cent reduction in **electricity** rates that the Tories voted against in the Legislature.

"The 100,000 child-care spaces, I mean, we're implementing that, so that's great that they agree with that. It's not an additional 100,000 child-care spaces. They're basically just doing what we're already doing."

As for the Tories' plan to return **Ontario** to deficit next year - with a $2.8 billion shortfall - **Wynne** , who is projecting budget surpluses for the next few years, was gobsmacked.

"I'm sure there was a lively internal conversation about that - that's for sure," she said with a laugh, mindful of fiscal conservatives' concerns.

"Starting to pay down the debt starts with balancing the budget - and keeping it in balance," she said. "This document is all about having it both ways or all ways: 'so we're going to run a deficit, we're going to cut fat that's not there, we're going to start to pay down the debt.' There are all sorts of inconsistencies in what he's suggesting."

2A. Carbon tax shell game

- **National Post**
- **Wed Nov 29 2017**

- **Page:** FP13
- **Section:** FP Comment
- **Byline:** Terence Corcoran
- **Source:** National Post

Ontario Progressive Conservative Leader Patrick Brown has been a carbon taxer from the start. Last weekend Brown, joining the self-described caped crusaders at the Ecofiscal Commission, nailed the carbon-tax policy to the masthead of the Conservative's run for power. With an election set for next year, some say the strategy could succeed, which it might - but only if **Ontario** voters buy into the fiscal shell game the party is trying to pull off.

As Andrew Coyne has concluded, the new Brown platform is mostly a load of vapid mush. It nicks and ticks at hundreds of trending political topics, and makes a few stabs at good policy - such as promising to kill the Green Energy Act - but otherwise Brown's ship sails off in many dubious directions.

This is especially true of the party's new carbon-tax plan, a shifty numbers game in which **Ontario** 's middle class will be asked to vote to pay for their own tax cuts.

The headlines followed the con: "Leader Patrick Brown's electoral blueprint includes tax cut." The party platform has a big-typeface claim of a "22% tax cut for the middle class."

That's the sales pitch, but keep an eye on the peas. What the headlines don't explain is that the 22 per cent tax cut for middle-income taxpayers will be paid for by an 81 per cent increase in the existing 14.7-cent provincial tax on a litre of gasoline. As with all carbon taxes, the tax is paid disproportionately by lower-and middle-income taxpayers.

According to information in the Brown platform's "fiscal plan," by 2022 **Ontario** citizens and industry will be paying $5 billion in higher prices for gasoline and other fossil fuels - the money collected first by Ottawa then sent to **Ontario** . Between 2018 and 2022, a Conservative **Ontario** government would receive $15 billion in carbon-tax revenues to pay for income-tax reductions for lower and middle income taxpayers worth $7 billion.

The shell game appears to have been carefully orchestrated in cahoots with the Ottawa-based EcoFiscal Commission, a self-appointed commission headed by economists funded by green-tinged foundations; EnviroEconomics, headed by environmental economist Dave Sawyer; and CleanProsperity, a carbon-tax-supporting outfit headed by Mark Cameron, a former policy adviser to Stephen Harper with links to assorted sustainable/environmental organizations. Clean-Prosperity's board includes radical green political fixer Bruce Lourie, a major force behind the **Ontario** Liberal's Green Energy Act fiasco.

Just two weeks ago, these organizations coincidentally published brief supportive blurbs that appear to endorse the **Ontario** carbon tax plan. How did **Ontario** 's PCs hook up with this lot? Worth investigating, but the main story at the moment is the **Ontario** Conservative endorsement of Ottawa's carbon framework.

Under the plan, Ottawa will begin collecting a $10-a-tonne carbon tax next year. The tax will rise to $50 by 2022, when total revenue will hit $5 billion a year (according to a reference to a two-page note from EnviroEconomics). Since carbon-tax economists say a carbon price would have to be $200 a tonne to be effective, this is just the beginning.

Exactly how these monies will be distributed is unclear in Brown's fiscal plan. While EnviroEconomics estimates carbon-tax revenue in 2022 will be $5.1 billion, the fiscal plan claims only "net" carbon-tax revenue of $2.4 billion. Where does the money go? Whatever the breakdown, it will be inexplicable to voters.

Brown justifies the carbon tax as a superior replacement for the Kathleen Wynne Liberal cap-and-trade plan. Cap and trade uses regulation to limit the volume of carbon emissions by industry and forces corporations to buy carbon-emission permits on an international market. The **Ontario** cap-andtrade regime is part of an open-market trading connection with California and **Quebec** .

A straight carbon-tax plan avoids the regulation and goes straight to a tax that, in theory, will raise the price of fossilfuel energy and lead to a reduction in demand.

The likely benefit of switching to a straight tax on fossil fuels is all theory and no facts. All carbon-tax data crunching is dependent on **economic** models that may or may not reflect reality.

A brief note from the EcoFiscal Commission says the existing Wynne Liberal **Ontario** cap-and-trade system would deliver a lower carbon price that "might drive more emissions reductions in global terms, thanks to a more ambitious cap and the use of revenues to support low-carbon technologies and other emissions-reducing activities." On the other hand, a new Brown Conservative direct carbon tax would raise more revenue but would also deliver more emissions reductions within **Ontario** .

And on still another hand, according to the footnoted comment from Dave Sawyer at EnviroEconomics, "The trade-off would be lower total GDP, with the carbon tax and recycling to income tax reductions outperforming the proceeds recycling scenario."

That's not much of an election slogan. And, in the context of the **Ontario** Progressive Conservative Party's new election run, totally irrelevant whatever it means. The objective is to tax taxpayers more via a carbon tax so that politicians can reward taxpayers with tax cuts.

2B. Andrew Coyne: With their vapid new platform, it's 'Back to Mush' for Ontario PCs

Perhaps this calculated triviality will make it more likely they will be elected. But what possible difference would it make if they were?

Andrew Coyne

November 27, 2017
8:19 PM EST

Over four provincial elections and three leaders, the Ontario Progressive Conservatives have vacillated between mush (Ernie Eves), mush with indigestible lumps (John Tory), hard-faced mush (Tim Hudak) and in the last attempt, something approaching conservatism, only without the math: narrowly leading at mid-campaign, Hudak threw it away with a mix of implausible happy-talk (the "million jobs" platform promise) and polarizing shock-talk (removing 100,000 employees from the public sector payroll). They lost again, as they had lost the previous three times.

True to form, rather than refine its message while remaining faithful to its core convictions, the party has remade itself yet again. With the next election just seven months away, and the party holding onto a reduced but still comfortable lead in the polls, it is Back to Mush. In fairness, a belief in mush — mush for mush's sake — may perhaps be the party's most sincere conviction: certainly it can't claim any greater record of electoral success with it than with the alternative. Perhaps it is simply a calculation that mush is what people want now: Mush in Our Time.

At any rate, the result is a 79-page platform, or "People's Guarantee," of such iridescent vapidity it might have better been titled Nothing To See Here. The tag line, repeated on every page of the document, is Change That Works, I can only assume in an attempt at irony — because if there is one idea that is most powerfully communicated throughout it is that the Tories, under their impenetrably vacant leader Patrick Brown, would change next to nothing about how the province is governed.

Virtually everything the Ontario government is now doing after fourteen years of Liberal activism, including its very latest and least-considered extensions — raising the minimum wage, expanding rent controls, free drugs for under-25s, all-day kindergarten, the works — it would still be doing after four years under the Conservatives. By 2022, spending would be 1.8 per cent less than it is currently projected to be, which is to say 10.6 per cent more than it is now — though in fact the Conservatives cannot identify a single program they would cut, beyond a "value for money audit."

So while the platform is full of promises of the taxes it would cut, the prices it would slash, and the goodies it would distribute — usually dressed up, with the duplicity now in vogue, as tax credits — it is vastly less interested in discussing how any of this would be done, still less how it would be paid for.

So: electricity prices would be cut "an additional" 12 per cent. That's pretty ambitious, considering the Liberals have promised to cut them 25 per cent. What sweeping reforms would a Progressive Conservative implement to the province's electricity market to make this possible? None that are mentioned, beyond cutting salaries for executives at the province's power utilities, renegotiating contracts with providers and redirecting a portion of the dividend that Hydro One, the province's distribution monopoly, pays the government annually.

That 25 per cent reduction, by the way, is under the Liberals' Fair Hydro Plan, widely and rightly derided as a shell game: the province is essentially borrowing to suppress prices now, at the cost of greater increases in later years. Among the fiercest critics of the plan at the time of its unveiling were the Progressive Conservatives. Yet it is now the baseline for their own plans.

The same is true of their broader fiscal program. The Liberals have gone to heroic lengths to produce a "balanced budget," even as the debt continues to mount. How? By moving more and more public debt off-book: the government's accumulated deficits, at $193.5 billion, are now just 62 per cent of its total net debt, at $311.9 billion. Yet the Tories propose, not only to do nothing to reduce this debt, the largest of any sub-national government in the world, but to run a deficit to boot. Of course, it would only be a small one, and only temporary. You may have heard that one before.

The tag line is Change That Works, I can only assume in an attempt at irony

If the Tories would undo very little of what the Liberals have done — replacing cap-and-trade with a carbon tax is the only change of any real significance — most of what they would do would not be out of place in a Liberal, or even NDP, platform. A tax credit for child care; a $5-billion subway-building scheme; free dental care for the old and poor: it's not that these are bad ideas (well, the subway plan is bonkers). It's just that they are not situated in a larger vision that represents any alternative to the statist quo.

What would a Conservative government do about the province's lumbering state health care monopoly, and the massive waiting lists that plague it? Well, it would "reduce hospital and emergency room wait times." Yes, but how? Spend more money — sorry, "make proper investments" — is the closest we get to an answer.

What would it do about the alarming deterioration in student performance within the elephantine bureaucratic-union complex that is the province's education system? Well, it would "take concrete steps" to improve math test scores. Yes, but how? Make teachers study math. Golly.

It's pretty much all in this vein: to the extent it has any policies, they are invariably simplistic, cost-free, and unassailably popular, with no one disturbed or put out in any way. Once, the Conservatives promised to abolish corporate welfare. Now they pledge only to punish corporations that take the subsidy and run. Once, they might have promised to roll back rent controls. Now, there is only a review of the Residential Tenancies Act. Once, they might have taken the partial privatization of Hydro One further, and sold off the rest. Now the dividend redistribution scheme is touted as a way to prevent any future government from privatizing it.

Perhaps this calculated triviality will make it more likely they will be elected. But what possible difference would it make if they were?

3. Cambridge shortlisted for launch of **legal** cannabis retail store

- **Cambridge Times**
- **Tue Nov 28 2017**
- **Page:** 1
- **Section:** News

Cambridge is on the short list to get its own province-run **pot** shop.

The city has been officially tapped by **Ontario** as one of the possible communities to be included in the rollout for government retail store locations selling **legal** recreational cannabis.

The province is gearing up to get out ahead of new federally-driven legalized **marijuana** laws, which go into effect in July 2018, and is launching a process to identify which municipalities could see government-run stores open, and when.

Cambridge and North Dumfries MPP Kathryn McGarry said it's not known exactly when a store might open, noting this is just the start of a consultation process with Cambridge stakeholders.

"There will be engagement from municipalities and enforcement, but also from the public," she told the Times in an interview on Tuesday (Nov. 28).

In a prepared statement announcing Cambridge would be included in the first round of retail stores opening, the MPP explained **Ontario** is taking necessary steps to ensure the sale of recreational cannabis is done sensibly.

"While the **legalization** of **marijuana** is a federal decision, safely managing how it is sold and consumed is **Ontario** 's responsibility," she stated. "Working with municipalities, our government will ensure that decisions about store locations are made based on a goal of protecting young people and keeping our community safe."

Successful candidate sites will further the government's goals to achieve even distribution throughout the province and put existing illegal stores and dispensaries out of operation. Guidelines for choosing sites will also ensure stores won't be located close to schools.

The **legal** age to purchase and possess recreational cannabis in **Ontario** will be 19, the same age limit set for purchase of alcohol and tobacco.

The introduction of retail cannabis stores, which will be overseen by the **Liquor Control Board** of **Ontario** (**LCBO**), were announced last fall as part of a "safe and sensible framework" to govern lawful use and distribution of cannabis. **Legal** cannabis will also be sold online.

The first round will see as many as 40 standalone **legal** **marijuana** stores open in **Ontario** , but there could be up to 150 by 2020.

Communities will be notified of any locations identified as prospective sites for government-run cannabis retail outlets via public notices online and signs posted on the prospective storefront.

Some Cambridge citizens are already highly sensitized to drug use in the city, sparked by the amount of drug debris left around streets and parks, and may not welcome the idea of making more drugs available in the community, even if **legal** .

The Cambridge MPP, however, argues legalizing and controlling recreational **marijuana** will be safer.

"I can understand where the concerns are, but this is actually part of the solution," she said. "This really contributes to ridding our community of the illegal drug trade on this particular substance."

The retail stores will be **legal** and managed appropriately, she maintains.

"It will mean it's a safer substance for someone to ingest, rather that whatever they're getting from a dealer, which you're never sure of."

During the rollout period, the government will assess success of the new stores and whether they have achieved strategic goals.

"Municipalities are essential partners in our efforts to distribute cannabis across the province," said **Finance Minister** Charles **Sousa** , in a statement to the media. "As we move forward with retail implementation, officials from the **Ministry of Finance** and the **LCBO** will meet with municipalities that have been identified for potential sites to discuss concerns and next steps in this initiative."

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