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Your morning briefing

17.05.2018 Christopher Reynolds

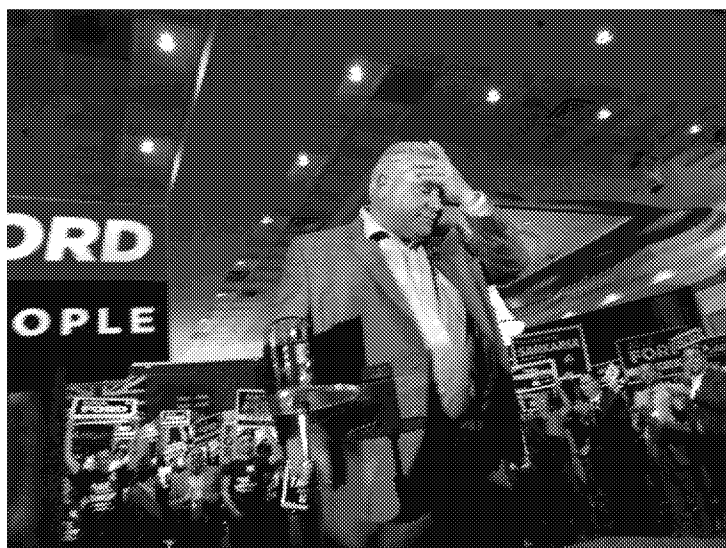
Headlines

Progressive Conservative Leader **Doug Ford** violated Ontario's new campaign rules when he attended a Tory fundraiser last month, the *Star* reports. A PC organizer, **Srini Suppiramaniam**, was fired Wednesday soon after the newspaper made inquiries. The \$250-a-plate dinner on April 29 went down at the Chadni Banquet Hall in Scarborough, the same night as the vigil for victims of the Yonge Street van attack, the *Star* notes.

Patrick Brown is writing a book. With the working title "Take Down, The Political Assassination of Patrick Brown," the book was announced this morning, less than three months after the PC leader was effectively ousted following accusations of sexual impropriety. If it sells, the rookie author might have a smoother time sorting out his tangled finances. Here's an excerpt from the "sensational" work, to be published by Optimum Publishing International and slated to hit bookstores on Nov. 1:

"We were making great strides towards a more inclusive, modern, business-savvy Ontario. Yes, it appeared I would be Premier of Canada's largest province by age 40. Instead, on January 24th, 2017, I was all but assassinated in public."

The PC candidate in Brampton East announced his resignation Wednesday evening, promising to fight allegations against him concerning his nomination campaign, which appear to relate to an "internal theft" of personal data from a highway toll company where the former candidate used to work. **Simmer Sandhu**, nominated in the GTA riding last December, released a statement shortly before the *National Post* published a story outlining a theft of customer data from 407 ETR and connected the highway company's data to **Snover Dhillon**, a political operative that has been involved in several disputed Tory nomination campaigns.





Chris Reynolds@ChrisAReynolds

Here at the Brampton South rally, Ford's team says they can't speak at all to Brampton East candidate Simmer Sandhu's sudden resignation today. #onpoli #onelxn
8:29 PM - May 16, 2018

Our latest stories:

- [Brampton East PC candidate resigns over nomination allegations](#)
- [Horwath trumpets child care plan as she tries to woo Scarborough voters](#)
- [How Ford's election promises add up so far](#)
- [Ford would axe hundreds of millions in cap-and-trade-funded programs](#)

In other news:

The *Waterloo Region-Record* [reveals the texts](#) that officially got PC MPP **Michael Harris** booted from caucus, with his wife saying the flirty exchange of messages in 2012 was overblown.

Liberal campaign co-chair and retiring London-area MPP **Deb Matthews** [fired a fresh round](#) Wednesday against local candidate **Andrew Lawton**, floating more bigotted remarks by the former radio host from 2015 and 2016 — a period after he has said he recovered from the mental illness he cited to explain past comments, the *Free Press* reports. In a radio interview later that day, Ford stuck by his man.

Canada, the U.S. and Mexico will [not reach a deal on NAFTA by today's deadline](#), a top source tell the *Toronto Star*. And Unifor president **Jerry Dias**, who speaks for Canadian auto workers, said "there's a better chance of me beating **Usain Bolt** in a spring than this thing being done tomorrow." Talks can, however, go on indefinitely, which may come as some relief for Ontarians reliant on an auto manufacturing sector heavily integrated with U.S. production.

Ontario's First Nations are [facing an oral health crisis](#), but a new program is trying to turn things around, TVO reports.

Remember when the Tories governed Ontario for 42 years straight? Neither do many of your fellow readers. But here's how the dynasty of the Big Blue Machine [kicked off](#) in 1943, courtesy of TVO.

From the opinion pages:

- **David Reevely** reflects on the Tories' promise to cut prices at the pumps.
- **Martin Regg Cohn** cautions voters to avoid being bamboozled on parliamentary alliances.
- The *Star* editorial board argues the Hydro One board has handed Ford a gift with its self-congratulatory pay raises.
- **Christie Blatchford** writes that Wynne is "clearly...better informed and more capable" than Ford.
- **Sue-Ann Levy** says the Liberals are failing to manufacture outrage à la Trump against the PC leader.

Events

9 a.m.

Premier **Kathleen Wynne** to make an announcement. Walkley Yard, 3101 Albion Road N., Ottawa. Livestream available here.

9:15 a.m.

NDP Leader **Andrea Horwath** holds campaign event focused on transit. Bathurst subway station, 819 Bathurst St., Toronto.

1 p.m.

PC Leader **Doug Ford** to make an announcement. Capri Pizza, 100 Dundas St. S., Cambridge.

1:45 p.m.

Horwath holds campaign event focused on transit. St. Catharines GO station, 5 Great Western St., St. Catharines.

3:45 p.m.

Wynne to tour the Innovation Hub and deliver remarks at St. Lawrence College, 100 Portsmouth Ave, Kingston.

6 p.m.

Rally for a Better Ontario. Bingermans - The Ballroom, 425 Centre Drive, Kitchener.

7:45 p.m.

Wynne to meet with local supporters. 5 Paddles Brewing Company, 1390 Hopkins Street, Unit #3, Whitby.

How Ford's election promises add up so far

16.05.2018 Jessica Smith Cross

PC Leader **Doug Ford** announced Wednesday a Tory government would cut provincial gas taxes — on top of billions of tax cuts he has already announced — and he reiterated his promise to balance the province's books at some point in a four-year majority government.

As with his two NDP and Liberal counterparts, Ford has also rolled out a slew of spending announcements over the past month, on portfolios ranging from transit to dental care.

Unlike New Democrat Leader **Andrea Horwath**, however, he has not released a fully costed platform — at least not yet. And unlike Liberal Leader **Kathleen Wynne**, Ford does not have a newly passed government budget to point to as a de facto campaign platform.

In an effort to shed light on Ford's promises, *QP Briefing* has tallied Ford's biggest tax cut and spending plans.

Revenue cuts

Estimated to equal more than \$20 billion over a four-year term

Gas tax cut

The proposed gas tax cut will cost the treasury **\$1.19 billion a year** in forgone revenue, once it's fully implemented, according to the PCs. However, Ford has not yet said how and when it will be phased in.

Personal tax cuts

Ford has also proposed a "middle-class tax cut" that would see more than two million Ontarians shell out 20 per cent less to Queen's Park on their income in the second provincial tax bracket, between \$43,000 and \$86,000. According to the party, it would mean about **\$2.3 billion a year less** in provincial coffers, starting in 2020. Invoking a little supply-side economics, the PCs have claimed the cash could be recouped through the market stimulus it would trigger as well as through the "efficiencies" that would result from a line-by-line audit of the government's books, another Ford pledge.

His predecessor, **Patrick Brown**, had proposed a deeper tax cut in his People's Guarantee platform, which promised to lower the tax paid on that income bracket by 22.5 per cent, and to lower tax paid on the first bracket by 10 per cent. However, Ford's proposed cut is significantly smaller than Brown's and would be implemented later, minimizing impact on the first term of a hypothetical PC government.

Instead of Brown's lowest tax bracket cut — and instead of raising the minimum wage — Ford is proposing to implement a tax credit for minimum-wage earners, which the party expects to cost about **\$500 million a year**.

Brown had also promised a slew of targeted tax credits on winter tires, children's fitness programs and more, as well as a costly sale tax rebate, which Ford has so far avoided committing to.

Business tax cuts

Ford said last month that a Tory government would cut the corporate income tax rate to 10.5 per cent from the current 11.5 per cent. The PCs haven't costed the promise, but the Grits say that would deprive the provincial government of about **\$1.3 billion annually**. The PCs say it would begin in year two of a PC mandate.

Brown had also proposed a cut to the small business tax rate in the later years of a mandate, but Ford has not repeated that promise, yet.

Carbon tax and cap-and-trade revenue cut

Ford has promised to end Ontario's cap-and-trade program, and not to implement the federal carbon tax backstop in its place, as Brown had intended to. He may end up in a court battle with the federal government over the issue but, assuming he succeeds, he would lose access to carbon market revenue of an estimated **\$2 billion a year**. At present, that money is to be spent on initiatives that lower Ontario's carbon footprint. Today, much of it goes to carbon-friendly infrastructure repairs, homes, hospitals and schools.

Ford has planned to end all of that spending, as had Brown, who had also budgeted in **\$1.5 billion in the first year** of government to exit the carbon market and deal with existing spending obligations — but some observers have noted that might be a more costly and difficult task.

Child care rebate

The PCs have promised to create an Ontario Childcare Rebate of up to \$6,750 per child, on child care expenses. It would work on a sliding scale, with the maximum rebate available to low-income families and a lower rebate for families with income over \$150,000 a year. The party has costed the plan at **\$389 million annually**.

New spending

Estimated to equal more than \$6 billion over a four-year term

Transit

On the first day of the election campaign, Ford made a **\$5-billion commitment** to cover the cost of building or extending four GTA subway lines and going underground with sections of a mid-

town LRT. That amount would come on top of the combined \$9 billion recently announced for Toronto transit by Ottawa, Queen's Park and Toronto city hall. Toronto city councillor **Josh Matlow** highlighted the apparent **\$16-billion shortfall** that remained, as the \$14 billion Ford cited would cover less than half of the total projected \$30.4-billion cost of the projects.

However, it's worth noting that the People's Guarantee made the same \$5-billion promise, and only counted on \$449 million of that funding flowing within the first four-year mandate.

Long-term care

Ford has vowed to create 30,000 long-term care beds if elected premier in the June election, with 15,000 of them on the way in the first five years, should he take office. Again, the same promise was in the People's Guarantee, which assumed the beds would be open in 2019, and would cost **\$77 million in the first term**, covering only the cost to operate them.

Lower hydro rates

Ford has pledged to reduce the average hydro bill by an additional 12 per cent, costing the province **\$800 million a year**. The government would rebate its portion of Hydro One dividends and move conservation programs from the rate base to the tax base, as well as abandon energy contracts where financially feasible. That's on top of keeping the costly borrowing scheme behind the Liberal government's Fair Hydro Plan, introduced last year, at least in the short term.

Dental Care

Ford has promised the PCs would create a dental plan for low-income seniors, another policy plank borrowed from the People's Guarantee.

Ford said his government would implement the dental care program, which would fund public-health units, community-health centres and aboriginal health access centres, and expand services to areas that are currently lacking, and provide coverage for seniors who qualify under the same low-income threshold as the Ontario Drug Benefit: \$19,300 or less for individuals and \$33,300 or less for couples.

The PCs pegged the costs of these promises at \$98 million annually when established, and **\$357 million over a four-year term**.

Mental health

The PCs have promised to invest \$1.9 billion into mental health services over 10 years, which would match promised federal funding. Ford has said that will go to rehabilitation services — but likely not supervised injection sites — as well as to supportive housing. According to the People's Guarantee, **\$814 million** was to flow in the PCs' first term.

The North

Ford promised a suite of policies for Ontario's north: revenue-sharing agreements that will provide northern and Indigenous communities with benefits from mining, forestry and aggregates, bringing back the Northlander train and reversing an aviation fuel-tax hike. All told, they're expected to tally up to **\$135 million in new spending** over four years, **plus \$36 million in forgone revenue**.

The bottom line

Ford has proposed about **\$6 billion in new spending** over a four-year term, and his proposed tax cuts would mean **more than \$20 billion in forgone revenue**, depending on how quickly they're implemented, according to our calculations.

Ford has also promised to find efficiencies in government spending — "cuts" according to his opponents — but he has not specified exactly where, or how much, he will trim. If he's to meet his balanced-budget promise, they're going to have to be significant.

(A note on the methodology on our calculations: In places where the Ford announcements have lacked some financial details, we've turned to the information provided about similar plans in the party's Patrick Brown-era platform, the People's Guarantee and, failing that, information provided by the other parties.)

-With files from Christopher Reynolds

Ford would axe hundreds of millions in cap-and-trade-funded programs

16.05 2018 Christopher Reynolds

OAKVILLE — Amid rising fuel prices, the Ford campaign is steering away from green efforts and toward cheaper gas — and running over green programs to get there.

At a Husky station in Oakville Wednesday, Progressive Conservative Leader **Doug Ford** announced Ontario drivers will pay 10 cents a litre less at the pumps under a PC government.

Scrapping Ontario's cap-and-trade system and reducing the provincial fuel tax would yield the discount to the gas price cuts, he said. A senior Ford campaign official confirmed cancelling cap and trade means cancelling the programs it funds. Those include the four-year, \$900-million social and private housing retrofits program and a \$200-million plan for eco-friendly school upgrades. A questions around how swiftly the programs would be cut and who would be impacted remain, however.



Chris Reynolds@ChrisAReynolds

17h

A senior member of the Ford campaign team confirms that scrapping cap and trade means axing the Green Ontario Fund and the programs that rely on it, such as the four-year, \$500-million program for social housing retrofits. #onpoli #oneixn



Joe Homsy@JoeHomsy

Follow-up question: does that mean that Ontarians who are currently participating in these programs at risk of losing their rebates while waiting for their applications to be processed?

4:17 PM - May 16, 2018

“If you need to drive a car to get to work, to school, or to pick up your kids from daycare, the Liberals and the NDP will have their hands in your pocket every time you fill up your car,” Ford said Wednesday morning, back-dropped by his “For the people” branded bus, which ran the length of the pump station.

In 2017, carbon auctions raked in \$1.9 billion for the province, cash flow a Tory government would cut off along with the green retrofits and services it pays for.

Ford also said the tax cut portion of the plan would cost the government \$1.19 billion in lost revenue. He said that red ink could be turned black through the \$6 billion in “efficiencies” he aims to find.

Other spending commitments and tax and hydro rate cuts may hinder the PC plan to climb out of deficit, which Ford confirmed Wednesday a Tory regime would run in the first and possibly second year. "By the end of our term, we'll have a balanced budget," he added.



Chris Reynolds@ChrisAReynolds

The Folks Wagon pulls into an Oakville gas station for an 11:30 a.m. announcement.

#onpoli #onelxn

10:59 AM - May 16, 2018

Ford has already pledged to nix cap and trade, which he said last month would mean paying 4.3 cents-a-litre less at the pumps.

Under the new plan, the provincial fuel tax would also fall to 9 cents a litre — the only new platform plank laid out Wednesday — from the current 14.7 cents a litre for gasoline and 14.3 cents a litre for diesel. That means both the gasoline and diesel provincial taxes would plunge nearly 40 per cent.

Liberal MPP **Kathryn McGarry** called the plan "the worst of all worlds – people won't get the savings he promises. But, they'll for sure feel the cuts."

On would-be savings for drivers, McGarry warned in a release that oil companies will "eat it up" and the public "will just be left with \$1.2 billion in cuts to transit and vital services."

Analysts have predicted gas prices could hit a 10-year high this summer. The average for regular gasoline in Ontario Wednesday was \$1.33 a litre, according to figures from GasBuddy. Just over a month ago, the price was about \$1.25 a litre.

Ford said Wednesday his plan amounts to \$500 a year in savings for fuel for the average driver.

He repeated his claim he would stop the federal government from imposing a carbon tax after ditching cap and trade. Under federal law, any province without a carbon pricing scheme will become subject to Ottawa's carbon tax.

A member of the campaign team member said Ford would contest that at the Supreme Court if necessary.

New Democrats have proposed allowing the Ontario Energy Board to control both the retail price and wholesale mark-up of fuel in Ontario.

Last November, PC lawmaker **Todd Smith** told *QP Briefing* a Tory government would honour existing green contracts tied to cap-and-trade spending.

“Any contracts that have been signed, we’ll live up to the obligations in those contracts,” he said. Otherwise, “we’re clearly getting out of the cap-and-trade program” and replacing it with a carbon tax he argued would be more lucrative.

The words “climate change” and “environmental” did not appear in Ford’s announcement. For his next campaign stop, his bus headed to a clean-tech company that specializes in recycling waste solvents and refrigerants.

Ford and the two other major party leaders seemed to be circling each other Wednesday in the GTA, with Liberal Leader **Kathleen Wynne** and the Tory chief both making multiple campaign stops in the suburbs, some only 10 minutes apart, just west of Toronto. NDP Leader **Andrea Horwath** stuck mainly to Scarborough.

-This story has been updated to match campaign developments throughout the day.