

Question 3: What is your fiscal plan for Ontario? In the midst of an economic downturn, what specific measures do you propose to keep Ontario's tax rates competitive, reduce our provincial debt, keep essential government services funded, focused and prioritized?

TC: Ontario's outstanding job creation record - 840,000 net new jobs since 1995 - did not happen by accident. It began with a clear principle: tax cuts create jobs by creating economic incentives. This was the foundation for a common sense economic policy that enabled taxpayers to keep more of their own hard-earned money to save, spend and invest as they chose. I want to broaden Mike Harris' achievement by identifying and eliminating disincentives to job creation - and by implementing policies that will create even more jobs for Ontarians.

That is why on January 30th, I outlined my policies for More Jobs in an Incentive Economy:

- The removal of the income surtax for 99 per cent of Ontarians, to ensure we can attract and retain professionals like nurses, teachers and job-creating entrepreneurs;
- The phasing out and complete removal of the capital tax on Ontario companies by 2007, eliminating a disincentive to investment in new plant and machinery;
- The elimination of the capital gains tax on charitable donations of securities made by individuals and corporations; and
- A review of property tax and land-use laws to remove red tape that currently prevents new-job creating activities in rural areas.

Ontario's outstanding job creation record did not happen by accident. It began with a clear principle: Tax cuts create jobs by creating economic incentives. The people I've talked to on my Reconnection Tour are your friends and neighbours. They tell me that taxes are still too high. And, of course, they're right. Some people say that we can't cut taxes now, when-- thanks to our hard work -- the economy is on much more solid ground than at any time in the last ten years. I say, how can we afford not to?

EE: We have worked hard to get Ontario back on track after a decade of Liberal and NDP taxing and spending. But as I have said on a number of occasions the job is not done. We must remain diligent in cutting taxes, eliminating the debt and increase Ontario's competitiveness. I made that commitment to Ontario taxpayers in 1995 and I remain committed to doing that.

As Minister of Finance and Deputy Premier, I have worked to increase the productivity of government and make it more accountable to the public. This has ensured Ontario is more competitive in the global economy.

In the 2000 Budget we outlined a schedule of tax cuts through to the year 2005 in Personal Income Tax, as well as large and small corporate income tax and we indicated that we would start to eliminate the surtax on personal income in the next years' Budget. As well, we committed to expanding the Ontario Tax Reduction program to remove even more people off the tax rolls.

Furthermore, in that same Budget, I doubled that annual reserve to a total of \$1 billion and reduced government debt by \$3 billion. During this campaign, I have announced that we will quadruple write-off rates for first year investments in new plant and equipment in Ontario.

I have also proposed tax incentives for companies to locate in rural and northern Ontario so that the all Ontarians can share in our prosperity. I have indicated that we intend to introduce tax free municipal bonds that will ensure that municipalities are able to undertake critical infrastructure

projects such as water, sewer and transportation, which are essential to the overall well being and the economic future of their communities.

I recognize that Toronto is the financial capital of Canada and I want to take steps to eliminate the tax on capital in the financial sector. I will continue to find way to make government more accountable and cost effective through annual business planning. I will continue to look for ways that the government can outsource government services where it is demonstrated to be beneficial and in the interest of taxpayers.

JF: Despite all we have done since 1995, taxes in Ontario are still too high! I believe there is plenty of room to reduce the tax burden on Ontario taxpayers, so they can keep more if what they earn and spend it as they see fit.

It's not "the government's money." The money we spend belongs to taxpayers. If elected Leader, as Premier I will put an end to overpayments by taxpayers by returning half of any surplus directly to taxpayers as a rebate, and use the other half to pay down the debt. I strongly believe we need to take more decisive action on debt pay down. That's why in the 2001 Ontario Budget, I announced the largest single contribution towards the provincial debt in Ontario's history - a \$3-billion payment, more than triple the previous years contribution. As Premier, I will keep our battle with the debt on track and accelerate repayment as revenues permit.

CS: Part of this answer can be derived from my philosophy that underpins my answer to question two. In addition, I should mention, that you can't do all these things listed in question three. Given the current economic climate and its inherent and lingering uncertainty, it is virtually impossible to increase spending, reduce taxes and balance the budget. It's jiggery pokery, you simply can't do it. So as a conservative, I return to my style of putting first things first, and for me that is ensuring that as party leader and Premier I will balance the budget.

EW: The most immediate fiscal challenge facing Ontario today is Ontario's \$110 billion debt. We need to make reducing the debt a priority if we are to ensure that future generations have the flexibility they need to provide for the increasing costs of health care and education. I have put forward a plan to develop a debt repayment plan in the next provincial budget. It is unacceptable that Ontario is paying as much on interest payments to service the debt as it is on hospitals each year. Under an Elizabeth Witmer government, the surplus will be dedicated toward reducing debt. I am also committed to continuing to balance the budget.



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