

Credit downgrading shows why 2018 Budget will hurt Ontarians

Written by Sylvia Jones

Last Wednesday, April 18th, Moody's Investor Services, a key credit rating agency, downgraded its outlook for Ontario from 'stable' to 'negative', because of the government's recent budget which announced a plan to run six consecutive multibillion dollar deficits.

This represents a clear indication that the Liberal's years of fiscal irresponsibility is hurting and will hurt Ontario's economy, residents and finances. The change in the outlook is significant because it is essentially a warning shot by lending agencies that the government's current plan could result in a credit downgrade. A credit downgrade could lead to an increase in interest rates for the province.

Simply put we cannot afford another credit downgrade in Ontario, because the debt is already crowding out the ability of the government to pay for services taxpayers rely on. Ontario is already paying more than a billion dollars a month just to service the debt. Servicing our debt is the third largest expenditure in Ontario's budget, behind only healthcare and education. A further credit downgrade would only make servicing the debt more expensive, meaning we will have less money to invest in education, hospitals, roads, and services that Ontarians need.

In the end, the downgrade of Ontario's outlook is an indication that there is growing concern about Ontario's high debt level.

This concern can be partially attributed to the fact that the Liberals recently broke their promise to balance their budget. The 2018 budget runs billion dollar deficits for six years, and doesn't outline a credible path for balance. This is despite repeated promises from the Premier and Ontario's Minister of Finance that the budget would be balanced this year and for years to come.

Instead, the Liberals have decided to try to bribe the people of Ontario with their own money, in a desperate election ploy to stay in power. Frankly, it is irresponsible. It is irresponsible, because it leaves a greater burden for future generations to clean up and it makes Ontario a less attractive place to build and grow a business.

The announcement by Moody's is just another example of how Ontario has become a less competitive place for businesses and job creators to invest. That is why I support a plan which recognizes that there must be a responsible approach to our debt, and instead of irresponsibly spending taxpayer money, seeks to reduce the tax burden on working Ontarians and businesses.

That is why I support a plan which will reduce the corporate income tax from 11.5 per cent to 10.5 per cent, and that will eliminate income tax for those making minimum wage.