



## Ted Chudleigh column

Oakville Beaver

April  
2009

### **The McGuinty tax machine comes to a paycheque near you**

Oh somewhere in our favoured land there is an optimal tax rate. However, we are no where near it, now that our tax code has become a tool of social engineering, through various taxes we pay and tax credits for which we qualify.

The McGuinty Liberal government in Ontario has just added to our burden through the planned harmonization of the Provincial Sales Tax (PST) and the Federal Goods and Services Tax (GST). It comes despite the Premier's second promise to hold the line on taxes. The melding of these two taxes at first seems benign. It will provide some administrative benefit to small and medium sized businesses in particular. However, Ontarians will see PST charged on gasoline, home heating fuel, electricity and real estate transactions – to name only a few.

In fact, many services that were previously exempt from PST will now have it applied under the harmonization plan set to take effect on July 1, 2010.

Premier McGuinty has set that effective date far in the future. It is obvious that his announcement of the harmonized tax is little more than a political balloon he's launched to see how much opposition there is. I fully expect the McGuinty Liberals will find a way to exempt some of the things to which the tax will apply – especially those that cause the most anger. And so, on cue, we are supposed to conjure up some anger to specific items to be taxed all the while ignoring the elephant in the

room – the harmonization itself.

Such tactics have characterized the McGuinty tenure. He pronounces on some change and then reigns it in due to public anger, all the while looking like a hero for 'listening to the people'. This 'listening' wouldn't be bad if it wasn't so calculated. And in the end we lose a little more freedom to McGuinty's nanny state.

That this game of bait and switch is mistaken for leadership is testament to the general lack of engagement Ontarians have in provincial politics.

Unfortunately this approach is going to cause a lot of Ontarians substantial pain as more people and jobs abandon Ontario.

We were first in, but having done nothing to reverse the decline, once mighty Ontario, will be last out. We must reverse the decline if we are to restore Ontario to its rightful place, the engine and the heart of Canada.

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