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Liberals lose moral high ground

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Most of the commentary on the fallout from last month's provincial budget has focused on its impact on the federal election.

The budget's tax hike — representing a broken promise by the provincial Liberals — is seen as a disaster for Prime Minister Paul Martin and the federal Liberals.

Pollster Frank Graves of EKOS has attributed the freefall of the federal Liberals in Ontario — where they started with a big lead that has virtually disappeared — primarily to the provincial budget, which he called, "Clearly one of the most poorly received budgets in contemporary political history."

But the budget's impact is no less — in the long run it could be far greater — for Premier Dalton McGuinty and the provincial Liberals. With it, they have lost the moral high ground they had seized in the immediate aftermath of last fall's provincial election.

When the Liberals took office at Queen's Park last October, they discovered that they had inherited a deficit of close to \$6 billion from the previous Conservative government, which had claimed to be maintaining a balanced budget.

The provincial Liberals used this deficit to hammer the Conservatives. Every Tory question in the Legislature was met with a variation of this Liberal response: The Conservatives could not be trusted because they had covered up a large deficit.

It worked. The Conservatives found little or no traction for their attacks on the Liberals.

But, in the wake of last month's budget, the Liberals find the tables reversed; they are the ones being accused of lying.

In last fall's election, McGuinty stared into the camera in his television ads and declared: "I won't raise your taxes." But in last month's budget, he did precisely that by imposing a new "health premium" on top of the income tax.

In defending the tax hike, McGuinty said it was needed to invest in the government's — and the public's — top priorities: health care and education. He has spent the past two weeks trying to change the channel by announcing major new expenditures in both areas.

But the media focus has remained on the broken promise.

And the public reaction to the budget has been resoundingly negative. According to last week's EKOS poll, 54 per cent of Ontarians rate the budget as bad-to-terrible while just 14 per cent find it good-to-excellent.

As well, 57 per cent think they will be worse off as a result of the budget compared to just 11 per cent who think they will be better off.

With numbers like these — echoed by the reaction heard at the doorstep by MPPs during last week's constituency break — the provincial Liberals are reeling.

In their counterattacks, they are again pointing to the size of the deficit they inherited from the Conservative government.

"The provincial Tories deliberately hid this," said McGuinty in a statement issued last weekend. Thus, his campaign promise not to raise taxes was based on Tory misinformation.

There is a major problem with this line of defence, however: Even *after* they learned how large the deficit was last October, McGuinty and the Liberals continued to say they would not raise taxes.

They said it in the Throne Speech last November. They said it repeatedly in press scrums.

To balance the budget, they said they would rein in spending and "reinvent government" rather than raise taxes.

And when other voices — various unions, the Canadian Centre for Policy Alternatives, the Toronto Star's editorial page — called on the Liberals to think again and hike taxes instead of gutting social programs, they continued to reject the option.

Indeed, as recently as April 24 — or just 24 days before the budget — McGuinty declared in a TV interview: "Well, what we've said all along, I am very clear about this, is that we're not going to be raising taxes."

And then he did just that.

Why? McGuinty and Greg Sorbara evidently became convinced that spending cuts would be even more painful — politically and socially — than a tax hike.

I don't disagree. But the Liberals could — and should — have held a referendum to ask the public for *permission* to break their promise.

They did not, and now they must wear the label of promise-breakers — or "liars," as the opposition and some newspapers have called them.

The only upside for them is that the next provincial election is almost four years away, not several weeks as it is for the federal Liberals.

But, henceforth, the provincial Liberals will be fighting the opposition parties on even terms, not from the moral high ground they once occupied.

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