

# McGuinty changes tune on use of regulations

'Different, sombre' Premier preaches free-enterprise gospel

James Cowan, National Post Published: Saturday, February 07, 2009

Dalton McGuinty launched a promotional blitz recently, inviting reporters into his office to offer some sombre observations on the economy. Politicians are rarely eager to deliver bad news, but Ontario's Premier spent nearly two weeks dwelling on his province's economic troubles, first in a string of one-on-one interviews and then with a big speech to a business audience in Toronto. Throughout the campaign, his message remained consistent: Ontario is struggling. The era of unapologetic government expansion is over. It is now time to reduce regulations, mind government coffers and clear the path for business. For a man who once said red tape "is good for us," who regulated everything from pesticides to school cafeterias, Mr. McGuinty's new posture as a bureaucracy slayer is jarring. Is Mr. McGuinty just taking pragmatic steps to survive a recession, or has the Liberal's Liberal stepped to the right?

"It is a very different, sombre Mc-Guinty who -- I don't want to say he was out of his depth -- he just didn't seem comfortable saying what he is saying," said David Docherty, a political scientist and the dean of arts at Wilfrid Laurier University. Mr. McGuinty opened his speech to the Canadian Club on Tuesday with an awkward hockey analogy, arguing Ontario must "play better and smarter" to survive economic tumult, just as Canada did in the 1972 Summit Series against the Soviet Union. Mr. McGuinty then moved to his central message about curbing government deficits, shrinking spending and a more business-friendly attitude.

"We need our businesses to become more competitive, we need our families and young people to reach higher in school and training, and we need our government to pick up the pace in our dealings with job creators," Mr. McGuinty said. "None of these challenges are easily overcome. It's going to take all of us. And it's going to take time, hard work and a fundamental shift in the way we compete. "Evidence of the Liberal government's new-found belief in the gospel of free enterprise can be found in *Open for Business: Guide to Reduce the Burden*, a 45-page booklet designed to help government ministries meet the target of eliminating up to 35% of all regulations by 2011. "We seek to create a modern and competitive system that delivers results for Ontario businesses," the booklet states.

Business leaders welcome the deregulation but observers say it represents a dramatic shift for Mr. McGuinty, who was elected in 2003 with a mandate to revive Ontario's public service after eight years of cutbacks by the Progressive Conservative governments of Mike Harris and Ernie Eves. The red-tape-reducing rhetoric now falling from Mr. McGuinty's mouth could just as easily come from John Tory, the current Conservative leader.

"Mr. McGuinty's the education Premier, he's the one who wants to cut classroom sizes, he's the one who wants to close coal-fired generating plants," Mr. Docherty said. "Now, all of a sudden, his hands are tied and the issues at the forefront are the ones where the Conservatives have a track record." The slicing of red tape has long been a Conservative issue. Norm Miller, the party's small business critic, even introduced a private member's bill last year that called for many of the same measures now being pursued by Mr. McGuinty's government. While Mr. Miller applauded the government's current efforts, he noted the Liberals have spent the past five years building a culture of regulation, banning cellphone use in cars, trans fats from school cafeterias and cigarette displays in corner stores. "The problem with a lot of the bills that this government has brought forward is that they're based on politics and not good policy," Mr. Miller said. "They think people want these things."

Politics likely motivate Mr. McGuinty's recent economic warnings as well, said Bryan Evans, a professor at Ryerson University and a former senior manager with the Ontario government. "The strategy is about dampening expectations," he said. "When his government comes forward with a budget in March, it won't appear to be as bad we're being told. It will be bad, all the way around, but it won't seem as bad as we're told." One worst-case scenario that Mr. McGuinty allowed to fester this week involved the revival of "Rae Days," the unpaid vacation days for public servants introduced by Bob Rae's NDP government in the 1990s. Speaking with reporters, Mr. McGuinty would not discount the possibility of "Dalton Days," leaving it to Dwight Duncan, his Finance Minister, to say there were no plans to resurrect the unpopular cost-saving measure. Beyond the political challenges inherent in the upcoming budget, Mr. McGuinty faces re-election in two years. His government's financial stewardship will no doubt be an issue, particularly given many of their successes up until now were funded by the booming economy. "The McGuinty government came into office being characterized as being moderately progressive because of their pro-public service point of view but it was all a function of the economy doing well," Mr. Evans said. "Well, the economy is no longer doing well."

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