

TORONTO'S FUNDING WHINE IS CONTAGIOUS

By RON BANERJEE

Following the lead of Toronto, Mississauga is joining the fray and demanding the federal government help cities with their financial needs.

The preferred strategy is to hit its citizens with hefty tax hikes or threaten service cuts, then steer the blame towards the "evil" federal Conservatives.

Hypocrisy rears its ugly head when some leftist commentators and news outlets use this to bash the Conservatives. Provincial Liberals also have been reluctant to pitch in substantively to help cities.

Although the feds enjoy hefty surpluses, Jim Flaherty prefers to offer tax cuts to citizens rather than transfer funding directly to municipalities.

The reason for his reticence can be attributed squarely to Canada's largest city, Toronto.

While Mississauga and some other cities are by all accounts well managed, our loudest, brassiest, and biggest municipality remains a mess run by a cabal of former NDPers. In 2006, Mississauga won the World Leadership Award for Healthy City Stewardship at the World Leadership Awards.

By contrast, Toronto's budget crisis is exacerbated by obscenities like our notorious "Fair Wage Policy," which results in companies wanting to do business with Toronto having to pay an average of \$42.80 an hour, far higher than the provincial average.

Toronto has always operated in the iron grip of nine large unions which dominate all construction work in Toronto. Phil Besseling, president of the Open Shop Contractors Association, estimates uncompetitive closed bidding on projects costs Toronto taxpayers hundreds of millions of dollars per year.

Mayor David Miller and his left-wing cabal at City Hall have limited privatization of municipal services: Currently only Etobicoke has privatized curbside garbage collection, while San Francisco has privatized all collection for years. One of the contractors, Norcal Waste, has recently launched a program to generate energy from municipal waste, and was awarded a state Waste Reduction award.

Contracting out services and chopping the stranglehold of the unions may not generate the required savings on their own. Upper levels of government will have to chip in to cover the shortfall.

The problem is one of perception: When our largest city spends like drunken sailors, upper levels of government are reluctant to pitch in.

Canadians in general are fed up with parties and leaders who espouse radical leftist policies. Fiscal sanity is one of the characteristics of the newly resurgent ADQ provincial party in Quebec. In Saskatchewan, the rightist Saskatchewan Party has come to power, promising a welcome change from the NDP.

Federally, Canadians have been deprived of the Conservative majority they crave, thanks to the stubborn ideological hostility of latte-sipping socialists in cities like Toronto and Vancouver.

The lib-left ideologues who run Toronto boast ceaselessly that they are the economic engine of the country and chide the rest of the country for failing to understand our largest cities need funding.

OUT OF TOUCH

But Canadians elsewhere understand very well that fiscal prudence and sane economic policies are pre-conditions for competitiveness. It is our champagne socialists and their union cronies who are out of touch with reality, and out of step with Canadian and global trends.

So, Hazel McCallion and mayors of other cities can direct their legitimate ire to the real source of their problems: The dysfunctional leaders of Toronto.

There is a way out of this mess. Organizations like the Canadian Taxpayer's Federation and CD Howe Institute have separately come up with rational suggestions on the imposition of economic sanity for long-suffering Toronto.

Canada is also very fortunate to have an internationally recognized organization, the highly lauded Fraser Institute, which has developed metrics for measuring competitiveness, such as economic freedom.

Given the mandate, these groups can easily develop standards to measure financial management and performance of municipal governments.

Funding to cities from upper levels of government should be contingent on local administrations meeting or exceeding designated targets.

In this way, well-managed cities like Mississauga can benefit from funding transfers where necessary, while laggards like Toronto will be prodded into fiscal sanity.

This would also de-politicize the whole issue of fiscal transfers between governments. The best way to build a competitive economy is to tie funding to rational macro-economic policy, rather than political imperatives.

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