

June 4, 2009

Honourable James M. Flaherty  
Minister of Finance  
21<sup>st</sup> Floor, East Tower  
140 O'Connor Street  
Ottawa, Ontario K1A 0A6

Dear Minister Flaherty,

As members of the Ontario Progressive Conservative Caucus at Queen's Park and candidates for the Leadership of our party, we are requesting that the Federal government delay the transfer of \$4.3 billion<sup>1</sup> of taxpayers' money to the province of Ontario for the implementation of the Harmonized Sales Tax. This HST will cost Ontario taxpayers billions of dollars and add taxes to products and services that have never been taxed by the provincial government.

In a period of economic uncertainty, now is not the time to be implementing this debilitating tax while Ontarians are struggling to find work and to make ends meet. Now is not the time to send Ontarians the message that your government's tax reduction efforts, including the GST reduction to 5%, are going to be eclipsed by an Ontario government. Unlike other HST provinces, this Liberal government refuses to drop the provincial tax percentage as it implements harmonization.

As you know, the HST is scheduled to be implemented by the McGuinty government on July 1, 2010. This timeline cannot be achieved without the \$4.3 billion Federal transfer payment. By delaying the implementation of the HST until after the next provincial election in 2011, you will allow the people of Ontario to determine whether the HST should be implemented and ensure that this important issue is not left up to the current Liberal government. **This new tax was never discussed in the last provincial election and the public has a right to have their say.**

We can assure you that our constituents, party members, and all Ontarians will appreciate the opportunity to answer the HST ballot question in the 2011 provincial election.

On behalf of all Ontarians, we ask that you delay the Federal transfer payment for the implementation of the HST until after the next provincial election in 2011 and we request an emergency meeting with you to discuss this important issue. We look forward to your timely response.

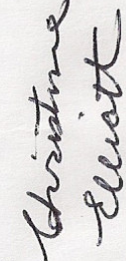
Yours sincerely,



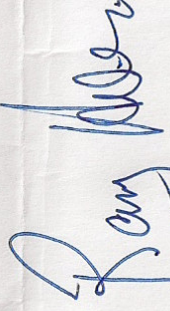
Frank Klees, MPP



Tim Hudak, MPP



Christine Elliott, MPP



Randy Hiller, MPP

cc. Premier Dalton McGuinty, Province of Ontario

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<sup>1</sup> Background technical papers of the McGuinty 2009 Budget, the federal government promised to help Ontario transition to the HST by paying them \$4.3 billion.