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Ontario's Socialist Experiment: How Endless Spending Broke a Rich Province

“Ontario-owe” was once one of the world’s richest jurisdictions. At one time the area from Oshawa to Niagara Falls was even called the Golden Horseshoe. In the postwar boom, Ontario powered Canada’s economy with manufacturing, resources, and a dynamic highly educated and youthful population. Per-capita income rivalled or exceeded that of many American states. Today, after decades of chronic deficits and ballooning debt, the province has slipped into relative decline. It carries one of the largest sub-sovereign debts on the planet, its public services are in crisis, and its young people are paying the massive price. The numbers tell a story of pure fiscal recklessness that no amount of spin from disgraced politicians can disguise.

Consider the province’s net debt-to-GDP ratio, the clearest measure of its fiscal health. In 1970, it stood at roughly 5.2 per cent. By 1980 it had roughly doubled to around 10 per cent. By 1990 it was 13.4 per cent. Then the real damage began, expedited by the election of the openly avowed socialist NDP Party for the first time in Ontario’s history headed by Bob Rae. By 2000 the ratio had climbed to 29.3 per cent. It reached a staggering 34.5 per cent by 2010, and spiked to 42.6 per cent in the pandemic year of 2020-21, and now sits at an estimated 38 per cent for fiscal 2025-26. Net debt itself has exploded from about \$38 billion in 1990 to more than \$459 billion today and heading to \$500 billion in the next 2-3 years. Ontario’s debt burden is larger in absolute terms than that of most countries and ranks among the highest sub-national debts anywhere. This is not the result of one bad government or one recession. It is the cumulative effect of nearly sixty years of spending more than the province earns, year after year. Successive administrations, Progressive Conservative, Liberal, and NDP have treated deficits as a normal cost of doing business. In fact, deficits were incurred in roughly 80 per cent of fiscal years since the mid-1960s. The 1990s recession produced multibillion-dollar shortfalls (briefly corrected by the Michael Harris Conservatives - who were viciously attacked by the media and the political establishment); the 2008 financial crisis and the COVID pandemic did the same on an even larger and more financially irresponsible basis. Yet even in good times, surpluses were rare and short-lived, a clear violation of their own failed Keynesian economics.

In Ontario, borrowing has become the default tactic to paper over the tough choices no one wants to make, and the general public does not want to hear. The consequence is a province that has quietly slid from first-world prosperity toward second-world stagnation. Productivity growth has lagged as capital and talent has fled the province. Housing is unaffordable and grossly overvalued, tied up in red tape and drowning in a regulatory swamp. Taxes and energy costs are high. This is exacerbated by energy policy failures. Ontario was a leader in nuclear power going back to the 1960s and 1970s, pioneering the CANDU technology and establishing a world-class fleet of reactors that provided reliable, low-cost power that drove Ontario’s once prosperous manufacturing sector. Much of that infrastructure was later mothballed due to short-sighted decisions amid perceived overcapacity, and only now is the province beginning to reinvest



through major refurbishments, another mistimed and poor decision contributing to today's elevated energy prices and supply challenges. Young Ontarians face a future of higher taxes to service yesterday's debt while competing in a global economy that rewards efficiency, not woke entitlement.

Ontario's relative economic standing has eroded. A telling comparison is with New York State, one of America's wealthier jurisdictions and a close neighbour. In 1980, Ontario's GDP per capita stood roughly in line with New York's per-capita personal income, both around \$11,000 USD. By 2000, New York had surged to \$35,955 USD while Ontario lagged at approximately \$24,300 USD. The gap widened further by 2015 (\$56,608 USD in New York versus roughly \$43,600 USD in Ontario), and by 2024 New York reached \$85,733 USD compared to Ontario's roughly \$54,000 USD. Three key reasons for this erosion of wealth in Ontario relative to New York include: 1) decades of chronic deficits and ballooning debt that have raised taxes and crowded out productive private investment; 2) erratic energy policies marked by the mothballing of nuclear capacity built in the 1960s and 1970s; and 3) declining educational outcomes and regulatory burdens that have undermined productivity, innovation, and business competitiveness. US States and other countries once dismissed as resource backwaters now boast stronger balance sheets and faster growth.

The irony is painful: the two biggest line items in the provincial budget are the very services that are failing most visibly. Healthcare and education together consume the lion's share of spending—roughly 40 per cent for health and 23 per cent for education in recent budgets. In 2024-25, health spending topped \$85 billion; education was about \$55 billion. These are not modest programs. They are at the core of what Ontarians expect from their government. Despite increased funding, outcomes have worsened. Parents are withdrawing children from public schools in record numbers, while more people are seeking emergency healthcare in the U.S. and abroad.

Healthcare is in outright crisis. Emergency rooms overflow. Hallway medicine has become routine. Wait times for specialists, MRIs, and elective surgeries stretch for months or years. Ontario ranks near the bottom among provinces and OECD peers on several access metrics. Billions have been poured into the system, yet doctor shortages persist, hospital capacity has not kept pace with population growth, and administrative bloat consumes resources that should go to front-line care. The pandemic exposed the fragility; post-pandemic spending has not fixed the underlying structural problems. More money without structural reform has simply produced more debt and the same bottlenecks.

Education fares no better. Ontario's schools have become laboratories for ideological experimentation rather than engines of excellence. Test scores in math, reading, and science have declined sharply. Ontario's PISA (Programme for International Student Assessment) results have fallen in recent years and are no better than the OECD average in most areas. Graduation rates are propped up by lowering standards; basic literacy and numeracy suffer. A generation of students has been fed a steady diet of identity politics, climate alarmism, and social-justice activism at the expense of reading, writing, arithmetic, and critical thinking. Parents watch their children emerge less prepared for university or the workforce, saddled with debt from a province that cannot even balance its own books. The "woke Marxist" drift in curriculum, prioritizing grievance over merit, equity over equality, has not only failed to deliver better outcomes; it has actively undermined the skills Ontario needs to compete.



None of this is accidental. It flows directly from the same fiscal culture that produced the debt. Politicians of all stripes have used borrowing to avoid hard choices: reforming union-dominated monopolies in health and education, insisting on accountability for results, or saying no to new spending demands. Every new program, every wage settlement, every shiny capital project is financed by issuing more bonds that future taxpayers will repay with interest. Debt service costs, once modest, now rival major program spending in some years. That money is not building hospitals or classrooms; it is paying yesterday's bills. The Ford government deserves some credit for slowing the bleeding. The net debt-to-GDP ratio has come down from its pandemic peak and is projected to remain below the self-imposed 40 per cent target in the near term. But even under current plans, deficits persist—\$12-14 billion annually in the next few years, and net debt will climb past \$500 billion long before the end of the decade. Infrastructure spending is necessary, but it cannot substitute for operating discipline. Capital projects do not erase operating shortfalls; they add to the debt stock. Without genuine spending restraint and service reform, the trajectory remains upward.

Ontario does not lack resources. It has a large, skilled population, a diversified economy, and a tax base that could support a responsible government. What it lacks is political will to live within its means. The province has run deficits so long that many voters and politicians have come to see balanced budgets as radical. Yet every dollar borrowed today is a tax increase tomorrow on our children. Every year we delay reform, the interest clock ticks louder.

Here are some of the steps that must be taken to save our province. **First**, slash the bureaucracy and privatize non-essential sectors. The Ontario Public Service employs around 66,600 full-time equivalents, but the broader public sector, including health, education, and municipal workers, inflates into the millions, consuming a disproportionate share of the provincial budget. Immediate across-the-board cuts of 20-30% in administrative roles, achieved through attrition, performance audits, and elimination of redundant programs, would free up billions. Privatize sectors like non-core infrastructure maintenance, and even select transportation services (e.g., competitive bidding for GO Transit expansions). Competition drives efficiency; monopoly government does not. Savings must flow directly to reducing the debt, not new spending or interference in the private market.

Second, introduce private healthcare competition to fix a broken monopoly. Ontario's single-payer system is failing patients with wait times that are dangerously and immorally long by almost any standards. Recent data shows more than 73,000 patients waiting beyond clinically recommended periods for surgeries. Allow private clinics and hospitals to compete fully, with patients able to use public insurance at private facilities for faster care. This is not "two-tier" in the scare-mongering sense, it's universal access via choice. Evidence from peer jurisdictions shows private delivery shortens queues without raising overall costs. The status quo rationing by waitlist is cruel; markets deliver results. Tragically, Ontario's healthcare system excels at two things above all: abortions and MAID. But when killing is your highest-performing service, you're not running healthcare, you're running "murdercare".

Third, hold schools accountable, expand privatization, and offer tax credits. Education spending has ballooned, yet outcomes lag, with ideological capture turning classrooms into social experiments rather than centers of reading, writing, and arithmetic. Enforce rigorous, measurable standards: standardized testing tied to funding, principal autonomy, and parental choice. Expand voucher programs, and education tax credits for families opting into private and



religious schools or home schooling. This unleashes competition, rewards excellence, and empowers parents, not bureaucrats. End the ideological drift; return to basics or lose funding.

Fourth, develop the Ring of Fire, now! Northern Ontario's mineral-rich Ring of Fire holds trillions in potential critical minerals for global supply chains, yet development has been glacial due to regulatory hurdles and consultation paralysis. Recent road acceleration plans are a start, with construction ramping up in 2026 and openings targeted for 2030-31. But conservatives must go further: designate it a special economic zone with streamlined permitting, tax incentives for miners, and expedited environmental approvals that prioritize jobs and prosperity over endless studies. Unleash private investment to build roads, rails, and processing facilities. This is all about thousands of high-paying jobs, revenue windfalls, and strategic independence from foreign supply chains.

Fifth, lower the cost of money, slash regulations, and unleash the private sector. Provincial borrowing costs are inflated by deficits and debt; fiscal prudence would lower interest rates on Ontario bonds by restoring investor confidence. Cut red tape when it comes to permitting, environmental reviews, and labour rules. Procurement reforms alone could save billions without sacrificing quality. Repeal job-killing mandates and empower businesses to hire, invest, and innovate. Lower corporate and personal taxes to attract capital and talent. It is the private sector, not government, that creates wealth; get out of its way and stop making “investments” into mistimed boondoggles (ie. recent battery plants) and let the private sector take care of long-term capital allocation.

Sixth, hold Ottawa accountable for tax-and-spend and the failed and costly Green Agenda. Federal policies summarized by endless deficits, regulatory swamps, and green mandates that ignore Ontario's realities and impose hidden costs on provincial budgets and families. Demand equalization reform, push back against industrial carbon pricing that hikes energy costs without global impact, and refuse to subsidize Ottawa's net-zero fantasies at the expense of affordable power and industry. Ontario should lead a provincial alliance to enforce fiscal federalism: no more blank cheques for federal virtue-signaling.

These reforms are not radical, they are commonsense, practical and essential. A province that once prided itself on prudence and prosperity cannot afford to keep borrowing its way into mediocrity.

Ontario's debt story is not inevitable. It is the result of choices. Choices to spend first and ask questions later, to virtue-signal instead of deliver, to mortgage the future for political convenience. Reversing it will require leaders willing to tell Ontarians the truth. The longer we wait, the steeper the bill. The province that helped build modern Canada deserves better than to become another failed socialist State.