Ministère
des Finances
et de l'Économie
Québec
Cabinet du ministre

Press Release

FOR IMMEDIATE RELEASE
CNW CODE 01 + WEEKLIES

2013-2014 Federal Budget

"This budget is a frontal assault on Québec"
- Nicolas Marceau

Québec, March 21, 2013 — The Minister of Finance and the Economy, Nicolas Marceau, expressed his great disappointment with the federal budget today. "Once again, the federal government is acting unilaterally and announcing new measures that break with existing agreements, without prior consultation. In addition, this budget contains measures that are harmful to Québec. It is a frontal assault on Québec that goes against our interests and how we do things," the Minister said.

Labour market agreements
First of all, the Minister said he could not understand the federal decision to slash $70 million a year from transfers to the Québec government for the Labour Market Agreement to create a new program that will make access to training measures for job seekers more complicated.

"In the wake of the reform of employment insurance, the Harper government's decision to renegotiate labour market agreements with Québec hampers our efforts to help workers reintegrate the labour market. The new employment grant announced today will require the Québec government and employers to each spend $70 million a year to access their share of federal funds. Why does Canada want to duplicate what Emploi-Québec is doing already and, by the same token, force workers to knock on two doors instead of just one?" Mr. Marceau indicated.

"New" infrastructure plan
As for infrastructure, the Québec government is disappointed to note that the federal government has not committed to make a "block" transfer of funds, which would have accelerated project start-ups and, consequently, improved support for economic growth. "Instead of acting efficiently, the federal government prefers to renegotiate new agreements, select projects itself, impose conditions, engage in micro-management and duplicate work," the Minister of Finance and the Economy added.

What the federal government terms "new" regarding infrastructure follows through on the Building Canada plan that will end in 2014. "While Québec and the municipalities have significant infrastructure needs, federal funding is not equal to the task," the Minister pointed out.

He also indicated that the government of Canada has once again missed a good opportunity to set a figure on its participation in the new Champlain Bridge.

Tax credit for labour funds
The Minister noted that the announcement of the elimination of the federal tax credit for labour venture capital funds, namely the Fonds de solidarité FTQ and Fondaction CSN, places considerable limitations on two major tools for Québec's development.

"Taxpayers, businesses and workers in Québec are the major beneficiaries of this measure because of the substantial contribution of labour funds. Eliminating this measure will create a disincentive to saving that will cost Quebecers $312 million over five years of the $355 million the federal government will save by ending this tax credit," Mr. Marceau indicated.

Federal transfers
While today's federal budget confirmed the technical changes to the equalization program, Mr. Marceau observed that Québec has asked that the caps placed on the program in 2009 be removed. "These caps have resulted in substantial financial losses for Québec amounting to $7.6 billion since 2009-2010. Added to the shortfall stemming from the federal government's unilateral decisions on health in 2011, Québec will lose $8.6 billion between 2014-2015 and 2024-2025. All told, these unilateral changes have a major negative impact on Québec's public finances. The Québec government is asking that the federal government reverse these unilateral decisions," Mr. Marceau pointed out.

Securities
Moreover, the Minister does not understand why the federal government is persisting in its efforts to implement a pan-Canadian securities commission, despite the clear decisions of the Québec Court of Appeal and the Supreme Court of Canada. He also expressed his surprise that the federal government was extending the mandate of the Canadian Securities Transition Office. "Allowing the federal government to insinuate itself in securities regulation, which is within Québec's exclusive jurisdiction, is out of the question," he concluded.

- 30 -

Source: Mélanie Malenfant
Assistant Chief of Staff and Press Relations Officer
Office of the Minister of Finance and the Economy
418 643-5270
514 873-5363