Ontario and Québec Call On the Federal Government to Join In Building Canada’s Economy

December 15, 2014 – Today in Ottawa, Ontario and Québec Finance Ministers made the case to the federal government that the time is right to make additional investments in public infrastructure to support job creation and economic growth in Canada.

Ontario and Québec are encouraged by the federal government’s recognition of the critical role infrastructure plays in building Canada’s economy. Together, they urged the federal government to increase its funding for provincial-territorial public infrastructure in its upcoming 2015 budget to build a stronger economic union. Provinces and territories are doing their part by making the significant, forward-looking investments necessary to build Canada up. Provinces and territories currently invest about three times as much as the federal government in public infrastructure. Despite this, the federal government receives almost an equal share of the revenue generated from these investments. A federal commitment to partner with provinces and territories to increase investments in public infrastructure would address this misalignment and boost Canada’s economic potential. The economic case for greater support for infrastructure is strong, supported by business and municipal leaders, and well documented by third parties.

The federal government has the fiscal room to make these necessary investments. Finance Canada’s own long-term economic and fiscal projections demonstrate that the federal government is fiscally sustainable over the next decades. The evidence is clear, and the time to act is now.

Quotes
"Various external organizations, from the International Monetary Fund to the Conference Board of Canada, emphasize that, at this point in the economic cycle, infrastructure spending is an effective way to enhance economic efficiency, boost economic growth, and increase prosperity for Canadians in the long term."
– Carlos Leitão
Québec Minister of Finance.

"There is room for the federal government to invest in public infrastructure. Now is the time to do so, given historically low interest rates. Such investments would not only increase living standards for all Canadians, and be financially timely, but they would also accelerate economic recovery in Canada."
– Charles Sousa
Ontario Minister of Finance.
Quick facts

- The International Monetary Fund’s October 2014 World Economic Outlook report shows that productive and efficient infrastructure investment can provide a much-needed boost to productivity and output, and improve government finances.
- The Conference Board of Canada found that each dollar invested in public infrastructure raises GDP by $1.14 in the near term.
- The federal government’s own analysis in the Department of Finance Canada’s “Canada’s Economic Action Plan - A Seventh Report to Canadians” estimated that in the short-term, the economic multiplier effect of public infrastructure spending is 1.60.

Learn More

- Conference Board of Canada: The Economic Impact of Ontario’s Infrastructure Investment Program
- Department of Finance Canada: Canada’s Economic Action Plan - A Seventh Report to Canadians
- Department of Finance Canada: Update of Long-term Economic and Fiscal Projections
- International Monetary Fund: World Economic Outlook (October 2014)

Sources: Andrée-Lyne Hallé Press Relations Officer Office of the Minister of Finance of Québec 418 643-5270 514 873-5363
Susie Heath Minister’s Office Ministry of Finance of Ontario susie.heath@ontario.ca 416 325-3645

Information: Jacques Delorme Media Relations Coordinator Ministère des Finances du Québec 418 528-7382
Scott Blodgett Ministry of Finance of Ontario Scott.blodgett@ontario.ca 416 325-0324