

Toronto Sun

Ontario wasted billions to bolster economy: Fraser Institute

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TORONTO - Ontario has blown \$27.7 billion over an 18-year period in a failed bid to jumpstart its economy, A Fraser Institute study says.

“Subsidies to businesses, whether bailouts, loans that may not be repaid, or straight grants are all forms of corporate welfare and do nothing to benefit Ontario families,” Mark Milke, a senior fellow with the right-wing think tank and the report’s author, said.

The report looks at the years 1991 to 2009 - so the total excludes the \$4.3 billion Ontario kicked in to the 2009 bailout of troubled auto makers Chrysler and General Motors.

Milke said all three major parties in Ontario had a hand in spreading the cash around - all in the hope it would help attract investment and create jobs.

But those jobs rarely if ever materialize, Milke said - and if they do, it’s only by taking them away from neighbouring jurisdictions.

“A review of the literature on job creation claims — literature based on a national and world wide look at such claims—does not support the employment claims made by governments,” he said.

That view was hotly disputed by Ontario’s Economic Development Minister Brad Duguid, who said the province has pulled in \$8.6 billion in private investment capital since 2003 - all tied to a dramatically smaller amount of government money.

“There are important investments,” Duguid said.

“Just in eastern Ontario alone, there are 11,700 workers whose jobs have been retained or created as a result of the investments we’ve made.

“These are real jobs, real workers.”

Even as Ontario faces a prolonged period of government austerity, Duguid said the government will continue to look for ways to create jobs and stimulate investment.

Meanwhile, a construction industry group made a call Thursday for the government not to shut off the spending taps as the economy struggles.

“As governments face years of restraint, it is important to recognize that underinvestment in infrastructure could easily hurt our economic prospects and job growth,” Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario, said in a media release.