

Critics, stakeholders split on Liberals' steps to grow economy in fall update

CBC November 1, 2016

Measures in the Liberal government's first fall economic update were welcomed by some as being just what the Canadian economy needs to grow, and criticized by others as being exactly what it doesn't need.

Conservative Leader Rona Ambrose was critical of the update, saying that a year after the Liberals won power by promising three small budget deficits of \$10 billion a year, the deficit is three times that size, growth hasn't followed, and taxes are on the rise.

"Today's fiscal update is a clear sign the Liberal economic plan has failed," Ambrose said in a statement.

The Conservatives were also critical of changes to mortgage rules, which Ambrose said make it more difficult for people to own a home, and the lack of measures to help small businesses.

"Today, we heard a lot of excuses for the failed Liberal plan, and more claims that growth is just around the corner if only they spend a little more of your money," said Ambrose. "The reality is that spending more money on a failed plan just means Canadians will be stuck with even more debt and still higher taxes."

The NDP and the Broadbent Institute were also critical of the Liberals' move to attract investment through the creation of an infrastructure bank that would be focused on "revenue-generating" infrastructure.

"The Liberals are taking the money they promised to invest and putting it into the infrastructure bank — which means projects will focus on meeting private investors' interests rather than Canadians' needs," said NDP Leader Tom Mulcair in a statement. "We're disappointed the Liberals plan to take credit for infrastructure money they will not spend, while leaving Canadians to pay the price through new user fees and tolls."

The Broadbent Institute's Sarah Schmidt said there is a case to be made for trying to raise the \$200 billion needed to fund infrastructure projects over the next decade, but the Liberals are on the wrong track, she said.

"The plan goes off the rails in proposing that major new projects be proposed, financed and operated by the private sector," said Schmidt, the institute's director of communications, in a statement. "This is twinned with a further proposal to raise more funds by privatizing existing federal public infrastructure, such as airports."

Mixed views on infrastructure bank

Green Party Leader Elizabeth May, however, welcomed the additional spending on green infrastructure and public transit, but expressed some concerns about the infrastructure bank and why its investments had to provide "stable, long-term and predictable returns."

"By definition, much of what our grandparents' generation invested in for the future was public projects for public benefit," May said in a statement. "These investments benefited the entire economy and society. To demand that they be 'revenue-generating' raises many red flags."

May praised moves to ensure the parliamentary budget officer is independent and to open up the Board of Internal Economy to the public — the body of MPs and members of the Privy Council that manages spending for the House of Commons.

Andy Manahan, executive director of the **Residential and Civil Construction Alliance of Ontario**, came in on the side of those who are in favour of an infrastructure bank.

"We're happy to see that [Morneau] has taken the next step," said Manahan. "Although the details aren't there, it looks like overall there are significantly more funds, we were pleased by that."

The Federation of Canadian Municipalities also welcomed the new infrastructure commitments for transit, social, green and other infrastructure, saying they would be "transformative for communities of all sizes in every region of Canada."

"These expanded transit investments will lead to shorter commutes, lower emissions, less gridlock and higher productivity," said Edmonton's Mayor Don Iveson, chair of the federation's Big City Mayors' Caucus. "Across the board, today's announcement is a big acknowledgement that cities are critical partners in nation building."

Immigration measures welcomed

As part of the global skills strategy contained in its economic update, the government says it will work to establish a two-week standard for processing visas and work permits for highly skilled workers. The Canadian Chamber of Commerce said it liked the focus.

"Today's economic update provided us with some fresh ideas, which are definitely needed to get the Canadian economy out of the slow lane," Perrin Beatty, president and CEO of the chamber, said in a statement. "A skilled workforce is the foundation of a competitive economy."

Alexandra Clark, director of policy and government affairs for Shopify, an Ottawa based e-commerce firm, said the company has faced delays of several months when hiring from outside Canada and is enthusiastic about the changes.

"It's a sign that the government has been listening to the needs of Canadian companies," Clark said.

Namir Anani, president and CEO of the Information and Communications Council, also believes the government is on the right track.

The council has forecast Canada's technology sector will need to hire 182,000 employees by 2019 and has predicted homegrown talent will not be enough to fill that gap.

"That will help business expand in scale and scope and compete internationally, and hence will be creating more jobs for Canadians at the end of the day," Anani said.

The chamber also applauded the government for its plan to create an agency to help promote Canada as an investment opportunity on the world stage.