

'We can take time' on infrastructure spending, economist says

CTVNews.ca Staff

Monday, November 2, 2015

The incoming Liberal government should slow down on infrastructure spending and focus on projects that can boost the economy, economist Jack Mintz says.

The University of Calgary's School of Public Policy released three papers Monday, outlining the issues surrounding infrastructure projects across Canada and suggestions on how to improve their cost and management.

One of the papers, [co-authored by Mintz](#), says that Ottawa needs to consider a more "economically efficient" model for financing roads, bridges and other infrastructure projects.



Economist Jack Mintz speaks during a press conference in Ottawa, Monday, Nov. 2, 2015.

Prime minister-designate Justin Trudeau has promised to boost infrastructure spending by almost \$17 billion over the next four years. He said he would pay for that by running "modest" deficits for three years.

But Mintz said there should be no rush.

"We can take time," he told reporters. "We don't need infrastructure spending to stimulate the economy. We need infrastructure spending to grow the economy and I think we should make the right choices and take our time and do it properly."

Mintz later told CTV's Power Play that Canada needs "productivity-enhancing" infrastructure projects. That includes road projects that help people get to work faster and port construction to help move goods across the country and to international markets.

The federal government should get out of the business of "social infrastructure," such as building local cultural and recreation centres, Mintz said, as those types of projects should be handled by municipalities and provinces.

Mintz's paper also says that Ottawa should give funding for smaller infrastructure projects directly to cities because those projects often come with too many administrative costs that would be better put to use in larger investments.

Mintz told reporters Monday that the newly released papers outline “three major lessons”:

- Invest in infrastructure projects that are going to give “the best boost to the economy”;
- Embrace financing models that will reduce the cost to the government and taxpayers;
- Make infrastructure decisions based on need and economic criteria, rather than “political incentives.”

Mintz also told Power Play that “user-pay financing,” such as road tolls, could go a long way in helping the federal government fund major projects.