

NEWS RELEASE

Ford government follows same failed deficit-reduction strategy of its predecessors

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For immediate release

TORONTO—The current Ontario government is continuing its immediate predecessors’ failed approach of slowing spending growth as a means towards a balanced budget, finds a new study released today by the Fraser Institute, an independent, non-partisan, Canadian public policy think-tank.

“Despite criticisms of past governments, the Ford government has generally continued the fiscal policies of the McGuinty and Wynne governments with respect to spending and debt,” said Ben Eisen, senior fellow at the Fraser Institute and author of *Ford Government Fiscal Policy Approach Mirrors that of McGuinty and Wynne*.

Specifically, like its’ predecessors, the Ford government has reduced the growth in government spending but not actually cut spending (before adjustments for inflation).

The aim is to slow the growth in spending and allow time for revenues to catch up to spending levels in order to balance the budget. This is the same deficit-reduction strategy employed by previous governments that produced a run-up in debt in the 2010s.

The analysis excludes COVID-related spending measures.

In fact, according to 2021 budget forecasts, over the next three years government spending (minus interest costs) will increase by a cumulative total of 8.5 per cent compared to 6.6 per cent from 2010 to 2012 (under the McGuinty government).

Furthermore, once COVID spending and emergency transfers from the federal government are excluded, the Ford government’s forecasted pace of deficit reduction is actually slower than that achieved under Premier McGuinty in the early 2010s.

“Sometimes changes in government produce major policy changes, other times continuity prevails,” Eisen said.

“When it comes to spending, deficits, and debt, the evidence clearly shows there’s been no significant policy shift accompanying the change in government in Ontario.”

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