



# NEWS RELEASE

## Notley government following failed policies of Bob Rae's Ontario NDP rather than successful NDP government in Saskatchewan

August 10, 2017  
For immediate release

**CALGARY**—The first two years of Alberta's NDP government under Premier Rachel Notley look a lot like Bob Rae's first two years in office as NDP premier in Ontario in the 1990s, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

This stands in contrast to the Roy Romanow NDP government in neighbouring Saskatchewan, which—as Premier Rae was increasing spending, raising taxes and adding debt in Ontario—was balancing budgets, reducing spending and laying the foundation for a more competitive province.

“Premier Notley could have looked next door to Saskatchewan to find an example of a successful NDP provincial government, instead of following the model of former Ontario premier Bob Rae, who saddled that province with billions in debt,” said Ben Eisen, director of the Fraser Institute's Alberta Prosperity Initiative and co-author of *Rae Days in Alberta: The Notley Government at Two Years*.

The study finds premiers Rae, Romanow and Notley all inherited difficult fiscal circumstances and large deficits. While Romanow cut spending, Rae and Notley both increased spending significantly.

In fact, program spending under Premier Notley has increased 11.2 per cent, and is forecast to increase 15.9 per cent above the level she inherited after four years in office. As premier of Ontario in the early 1990s Bob Rae also implemented large spending increases immediately upon taking office and oversaw a 14.7 per cent increase in program spending above what his government inherited.

Likewise, in both Ontario during the 1990s and Alberta during the past two years, the increased spending has contributed to large budget deficits. From 1992 to 1995, Rae's NDP government ran deficits between \$9 and \$12 billion, which amounted to three to four per cent of the size of the province's economy (or GDP).

By comparison, the Notley government is projected to run deficits every year she's in office, and the deficit this year is forecast to be equal to 3.2 per cent of GDP.

Lastly, Notley—like Rae—has increased a raft of taxes, which, like Ontario, has left Alberta less competitive.

The Romanow government, on the other hand, balanced its budget and put the province on sounder fiscal footing, which later led to large-scale tax reform and reductions for personal and business income taxes that made the province more competitive and attractive for investment.

“Predictably, the Bob Rae policy blueprint is producing similar outcomes in Alberta today as it did in Ontario 25 years ago,” said Charles Lammam, director of fiscal studies at the Fraser Institute and study co-author.

“It's not too late for the Notley government to change course and look to the former Romanow NDP government in Saskatchewan for fiscal inspiration, instead of the failed policies of the Ontario NDP.”

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