When you have an economy that works for the middle class, you have a country that works for everyone.

Canada’s extraordinary success is that we have bound together a vast country with a set of shared ideas and beliefs. We have created a society where individual rights and freedoms, compassion, and diversity are core to our citizenship. But underlying that idea of Canada is the promise that we all have a chance to build a better life for ourselves and for our children. We provide our citizens with upward mobility through economic opportunity. This is at the heart of the Canadian ideal, and it is under real threat by a government that does not even think there is a problem.

The middle class is the heart of the Canadian economy. That is why, when we strengthen our middle class, we grow our economy; we build a Canada where people who work hard can look forward to a good standard of living, a secure retirement, and better prospects for their kids. It also means we ensure that government has the resources it needs to invest in research and innovation, lift the vulnerable out of poverty, and provide economic security to all Canadians.

Stephen Harper’s record over the last ten years is one of wasted opportunity and decline. Harper has the worst economic growth record of any Canadian Prime Minister since R.B. Bennett in the depths of the Great Depression. Our economy has shrunk in each of the first five months of this year, and the Bank of Canada says that Canada is the only G7 country in recession.

Harper’s plan has failed. Canadians have experienced year after year of broken promises, failure to make promised investments, and fights with provinces, territories, and municipalities – instead of the partnerships we need to move forward. Harper’s flagship New Building Canada Fund for infrastructure has been stalled by unclear criteria and cut by nearly 90 percent. He has also stopped investing in early childhood education, is winding down contributions to affordable housing, and has ended all meaningful federal...
investments in building a cleaner, sustainable economy. Moreover, he is doing nothing to help our economy and country adapt to climate change.

The result has been weak economic growth, while Harper turned a decade of Liberal surpluses into eight straight years of deficits. But Harper refuses to tell Canadians the truth. In 2008, he promised that he would never run a deficit, then immediately turned around and did just that. He cannot hide from the facts today: with the fall in oil prices, and the further slowdown of the Canadian economy, the Parliamentary Budget Officer has shown that the federal government will run a deficit again this year. Harper’s plan means more cuts to vital supports for people, including the unemployed and veterans, more deficits, and no economic growth. This is simply bad economic policy.

This election is a choice between jobs and growth or austerity and cuts. Thomas Mulcair made the wrong choice for Canadians. He signed onto Harper’s economic policy and would cut billions of dollars in public investments. Thomas Mulcair has no plan. He will not raise taxes on the wealthiest one percent of Canadians. He will not cut taxes for the middle class, and he will even keep sending Harper’s child benefit cheques to millionaires. He proposes a child care plan that requires provinces to invest billions they do not have. Mulcair promised a national minimum wage, when his proposal would actually only help less than one percent of those Canadians earning minimum wage. He would increase taxes on Canadian business at the worst possible time, slowing economic growth and causing more job losses.

Choosing investment, jobs, and growth for the middle class

It is time for real change.

We know that Conservatives run deficits and Liberals balance budgets, but more important is the reason why: we understand that the key to fiscal responsibility is targeted investment, job creation, and economic growth.

Justin Trudeau has already announced many of the elements of our plan for growth, including:

- The Canada Child Benefit, which provides more help to low- and middle-income families, and less for wealthy families. For a typical family earning $90,000 per year, they will receive $2,500 more tax-free each year, injecting increased consumer demand into the economy.

- A middle class tax cut, which reduces the personal income tax rate on incomes between $44,701 and $89,401 per year to 20.5 percent from 22 percent. We are going to give a tax break to over eight million middle class Canadians by asking the top one percent to give a little more.

- Enhanced economic security by expanding access to caregiver benefits, providing more flexible parental leave, ensuring the right to request flexible work arrangements in federal jurisdiction, and fulfilling our sacred obligation to support our veterans.

- A New Plan for Canada’s Environment and Economy that ensures Canada can protect our environment, succeed in the growing global market for clean technologies, create the clean jobs of tomorrow, and build the public trust we need to get our resources to market.
• Investment in First Nations education, which helps the fastest growing segment of the population in Canada fully contribute to the long-term success and opportunities of our economy.

Over the course of this campaign, we will be making additional commitments to strengthen the middle class and grow our economy. This will include new investments in post-secondary education, in research and innovation, and in measures that create the jobs of today and lay a foundation so that the jobs of tomorrow are created here in Canada.

Liberals have a track record of making the right kind of investments, and through economic growth and job creation we have been able to balance the budget. We will do it again.

By choosing to invest in the middle class, job creation, and economic growth, we will restore fiscal responsibility to Ottawa. With our historic plan for investment, the federal government will have a modest short-term deficit of less than $10 billion in each of the next two fiscal years – less than half the average Harper deficit of over $20 billion per year. If the fiscal situation deteriorates due to a further slowdown of the economy in the weeks ahead, Liberals will be honest with Canadians about the facts. After the next two fiscal years, the deficit will decline and our investment plan will return Canada to a balanced budget in 2019. Combining fiscal discipline with investments in economic growth, we will end the Harper legacy of chronic deficits and reduce Canada’s federal debt-to-GDP ratio each year.

Core to this plan is a transformative investment in infrastructure.

**A transformative investment plan for Canada**

Investing in infrastructure is vital to creating middle class jobs today and sustained economic growth for years to come. Every dollar spent on public infrastructure grows and makes our economy more competitive, while also creating jobs, strengthening our cities and communities, and improving our health, well-being, and quality of life.

A large part of Canada’s 20th century prosperity was made possible by nation-building projects – projects that without leadership from the government of Canada would not have been possible. The Canadian Pacific Railway opened up the West; the St. Lawrence Seaway served as a foundation for prosperity in Quebec and Ontario; the TransCanada Highway links Canadians from coast to coast; and our electricity projects, pipelines, airports, and canals have made it possible to develop our natural resources, power our cities, and connect with each other and the world.

Nevertheless, new challenges have emerged: the rapid growth of our cities, climate change, and threats to our water and land. The resulting congestion in our cities,
Our 20th century economic growth was made possible by the decision to build ambitiously. We must do so again if we are to set the foundation for 21st century prosperity and transform our transit and transportation systems, create more affordable housing, strengthen our social infrastructure, and ensure that we adapt to a changing climate.

The timing has also never been more critical. Interest rates for new investment are at historic lows, our current infrastructure is aging, and Canada is in immediate need of a boost in economic growth.

Each year over the next decade, we will steadily increase federal infrastructure investment. At full implementation, this will represent an annual additional investment of $9.5 billion per year. This will almost double federal infrastructure investment to nearly $125 billion – from $65 billion – over ten years, which will be the largest new investment in infrastructure in Canadian history.

A Liberal government will also develop bilateral agreements with the provinces and territories, which will be similar to those created for the successful gas tax transfer to cities and communities. We will not only significantly increase the scale of federal infrastructure investment; our plan will provide provinces, territories, and municipalities with an unprecedented level of long-term predict-

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“Our historic investment plan to strengthen the middle class, create jobs, and grow our economy

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To get infrastructure right, Canada needs to be investing in the right infrastructure in the right places and this means focusing on infrastructure that serves economic ends such as transportation systems and core services such as water and sanitation”

- CANADA WEST FOUNDATION
ability in funding, as well. This will be done in full respect of provincial jurisdiction.

We will make an immediate down payment on this plan to kick start job creation and economic growth. For each of the next two fiscal years, a Liberal government will double current federal infrastructure investment to $10 billion per year from $5 billion. This will be accomplished with the new and growing infrastructure funding areas outlined below. We will also work with the Auditor General to ensure that effective financial controls are in place for this significant and immediate boost in investment.

**Our new plan will have three distinct eligibility areas**

**Public transit infrastructure:** A Liberal government will more than triple federal investment in public transit over the next four years, and over ten years we will quadruple it. Our funding will be flexible to the requirements of municipalities, in order to maximize the number of public transit projects that are built in Canada. Federal funding will no longer be a roadblock to action. A Liberal government will ensure that the federal government pays its share of capital, interest, and any additional charges to ensure both new construction and a state of good repair for transit facilities. We will boost investment in public transit by nearly $6 billion over the next four years, and almost $20 billion over ten years.

**Social infrastructure:** The best investments we can make are those that generate economic growth and provide immediate and long-term social gain. A Liberal government will provide a new, dedicated funding envelope for social infrastructure. We will prioritize investment in affordable housing and seniors facilities, early learning and child care, and cultural or recreational infrastructure. Our plan will renew federal leadership in affordable housing, help build more housing units, refurbish existing ones, renew existing co-operative agreements, and provide operational funding support for
municipalities. We will also fund the creation of thousands of new child care spaces, enhance their quality, and ensure that affordable child care spaces are available to more families who need them. We will also boost investment in social infrastructure by nearly $6 billion over the next four years, and almost $20 billion over ten years.

**Green infrastructure:** A Liberal government will provide dedicated funding to invest in a broad range of projects, including but not limited to: local water and wastewater facilities, climate resilient infrastructure, clean energy, and clean-up of contaminated sites to facilitate new construction. We will also support efforts to prepare for changing weather patterns, such as: protections against wildfires, improved storm water systems to diminish the impact of urban floods, additional dams and dikes to prevent overland or coastal flooding, the reinforcement of energy systems in the face of possible ice storms, and the reinforcement of infrastructure to confront melting permafrost in our North. These and other efforts will be undertaken in partnership with other orders of government and based on the best available science. We will boost investment in green infrastructure by nearly $6 billion over the next four years, and almost $20 billion over ten years.

We will have additional announcements in support of these vital investments over the course of this campaign.

A Liberal government will reform and increase the transparency of the New Building Canada Fund by providing clearer project criteria and faster approval processes.

With the creation of the new funding mechanisms for public transit, social, and green infrastructure, the New Building Canada Fund will now prioritize investments in roads, bridges, transportation corridors, ports, and border gateways. With new and growing trade opportunities in emerging markets and with the United States, it remains essential that we invest in infrastructure that supports our exporting industries. We also know that transportation infrastructure investments in Canada’s rural and remote regions are vital for getting our resources and other goods to market, and broadening prosperity for all.

A Liberal government will automatically transfer any uncommitted federal infrastructure funds near the end of any fiscal year to municipalities, through a temporary top-up of the Gas Tax Fund. This will ensure that no

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**NEW INFRASTRUCTURE SPENDING ($ BILLIONS)**

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<th>YEAR</th>
<th>PUBLIC TRANSIT</th>
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10-year total: 19.7, 19.7, 19.7
committed infrastructure money is allowed to lapse, but is instead always invested in communities across the country.

To help finance the construction of even more public infrastructure, we will also use more innovative methods of alternative financing. We will establish the Canada Infrastructure Bank (CIB) to provide low-cost financing to build new infrastructure projects.

This new CIB will work in partnership with other orders of governments and Canada's financial community, so that the federal government can use its strong credit rating and lending authority to make it easier – and more affordable – for municipalities to finance the broad range of infrastructure projects their communities need. Lending from the CIB will be linked to balance sheet assets, and will not require any increase in the federal government’s accumulated deficit.

Canada has become a global leader in infrastructure financing and we will work with the private sector and pools of capital that choose for themselves to invest in Canadians infrastructure projects. Where a lack of capital available to provincial or municipal governments represents a barrier to projects, the CIB will be mandated to provide loan guarantees and small capital contributions to ensure that the projects are built.

The new CIB will issue Green Bonds and make green infrastructure projects more attractive to private investors by offering loan guarantees, reducing financing costs and risk, and bundling small projects into attractive offerings for investors. The Green Bonds will fund projects such as the electrification of transportation, smart grid technology, and transmission lines for renewable energy, electric vehicle charging stations and networks, retrofits of buildings, and clean power storage. When appropriate, the CIB will issue Green Bonds to the public so that they too can invest in such projects.