

Canada: The Privatisation of Public Assets

By [Global Research](#)

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As the Canadian Parliament is dissolved, Canada's role in the US led military adventure will not be an object of political debate during the election campaign. Canada is directly involved through the participation of Canadian troops in Afghanistan and Haiti.

On Monday the 28th, Parliament was dissolved. On that same day in a speech to the Canadian Council for Public-Private Partnerships, the Governor of the Bank of Canada called for the privatisation of Canadian public assets including schools, hospitals, highways and public utilities.

Global Research Editor

Dodge touts public-private deals

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Canadians should accept and promote private investment in public assets such as highways, transit, utilities, schools and hospitals, the governor of the Bank of Canada said Monday.

"The timing is right to make these investments," David Dodge told about 400 people at a conference of the Canadian Council for Public-Private Partnerships.

The most familiar Canadian public-private partnerships are the Confederation Bridge to Prince Edward Island and the — now privatized — Hwy. 407 toll road north of Toronto.

But Canada still has few so-called PPP projects, and big investors such as pension funds have bemoaned the necessity to go abroad to find such developments, which promise stable long-term financial returns.

Dodge noted that "when infrastructure projects are solely publicly funded, the usual incentives to build and operate efficiently — the incentives to avoid bankruptcy and make a profit — are not the driving motive behind the investment."

And the government deficits of the early 1990s left "a decade or more than a decade of underinvestment which we now have to make up," he said.

"Financing through markets provides a mechanism by which we can better assess the

economic merits of an investment, and hence use our scarce infrastructure dollars more wisely.”

The thorniest problem is proper pricing of public infrastructure projects that have a profit motive, Dodge said.

“A lack of pricing that appropriately reflects demand and supply conditions may be one reason why there have been relatively few PPP infrastructure projects in Canada.”

He didn’t specifically cite the Ontario government’s continuing court fight to reduce the Highway 407 tolls charged by the private-sector consortium that owns the road, but noted that “governments have often been unwilling to price-to-market infrastructure-based services.”

Dodge did not take any questions, ahead of the anticipated fall of the federal Liberal government whose pre-election largesse is seen as complicating the central bank’s task of holding down inflation.

While the Bank of Canada is expected to continue raising interest rates to prevent the economy from overheating, additional spending of billions of government dollars tends to stoke activity.

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