

April 21, 2020

The Honourable Bill Morneau  
Minister of Finance  
Ottawa Ontario K1A 0A6  
Canada

Email: Bill.Morneau@parl.gc.ca

**Re: Providing Additional Financial Flexibility to Provinces**

Dear Minister Morneau:

During the COVID-19 crisis, your department, and the government as a whole, have been leaders in providing support for the manufacturing sector and Canadians who require the most help. I have written to you on several occasions since the beginning of this crisis regarding issues that required urgent attention, and repeatedly the response has been overwhelmingly supportive from the government.

While we have been working with the federal government on a range of policy and program supports for Canadian industry and their employers, we have similarly been working with provincial governments across the country. Our recommendations have been identical to both levels of government: keep as much cash in the hands of manufacturers as possible to ensure they can continue to operate and maintain their workforce. And their actions have been equally as important. As you would well know, they have deferred payroll taxes, municipal property taxes, workers compensation plan payments, and reduction in electricity prices, among many other measures.

Like the federal government, this has placed enormous fiscal pressure on Canada's provinces. However, unlike the federal government, the provinces do not have the same capacity to borrow the necessary funds to support their efforts during this unprecedented time. As such, I am requesting your help to support provincial governments' continued support of the essential manufacturing sector across the country. Specifically, CME requests that the federal government use its own borrowing capacity to borrow on behalf of requesting provinces and that you extend those facilities at your favourable borrowing rates for repayment once this crisis has passed.

I thank you again for your efforts in supporting Canadian manufacturing during this crisis. Federal leadership to support the actions of all levels of government to provide financial flexibility to industry will remain critical. We hope that this proposal will be considered as part of the support package offered by the federal government to help Canada to weather the storm and emerge stronger together.

If CME or its members can be of any assistance to you and your government colleagues, please do not hesitate to reach out directly at any time.

Sincerely,



Dennis A. Darby, P.Eng., ICD.D  
President & CEO

Cc: The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Intergovernmental Affairs