



## **BUDGET 2010 DEBATE – HOUSE OF COMMONS**

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Madam Speaker,- I am tremendously pleased to stand today and speak about our government's new federal budget which is focused on job creation and growth to support Canada's economy recovery. The budget also rightly includes a disciplined long-term plan to return to balanced budgets.

Before I discuss the budget let us go back a little bit. Although Canada was drawn into a global recession, the deepest global recession since thirties, through good planning we have entered this recession really in much better shape than the rest of the industrialized world. Canada has stood up to the global recession better than virtually all other major industrialized countries.

Since taking office in 2006, this government has reduced taxes and aggressively paid down debt so that today even after the effects of the recession Canada boasts the lowest debt to GDP ratio in the G7 and Canada's decline in real GDP was virtually the smallest of all G7 countries.

Canadian labour markets have fared much better than in the U.S. where job losses are proportionately three times larger than Canada's. Canadian domestic growth has rebounded more strongly than all of the G7 countries since the beginning of 2009 and really has led Canada out of this recession in mid-2009 and gaining strength. Credit strength in Canada has remained solid with continued strong household credit growth and business credit growth showing signs of stabilization and an awareness of an increasing level of confidence.

Canadian banks and other financial institutions were better capitalized and less leveraged than their international peers. As a result, we are widely acknowledged as having the soundest banking system in the world as acknowledged and recognized by no less an authority than the World Bank and the International Monetary Fund.

Canada's housing market has not seen the excesses that have caused instability and housing bubbles in other jurisdictions. Strategies in Canada's economic action plan were designed to protect Canadians during this recession. Measures like the popular home renovation tax credit which has helped average Canadian families upgrade the value of their homes and save taxes which means consequently more money in their pocket at the end of the day. It also means creating jobs and that in turn boosts the economy. In my riding of Prince Edward—Hastings there are many constituents who have taken advantage of this tax credit.

Another measure was funding for infrastructure in communities across Canada. This funding has kept many people employed, boosted the economy, laid a rock solid foundation for long-term economic growth and will leave us with tangible long-term assets.

Clearly our plan is working. We are seeing the signs of economic recovery, however, economic recovery does remain fragile as most people realize and the government's new budget recognizes this fragility and creates ways and means of allowing for steady growth and prosperity while returning to budget balance once the economy has recovered.

My riding of Prince Edward—Hastings is a very large and diverse riding. It is about a four and a half hour drive from one end to the other. It contains people who work in all sectors from agriculture, to tourism, to manufacturing, forestry and really everything in between. I have travelled extensively throughout this riding through its length and breadth consulting with and listening to constituents, business owners, farmers, wine growers, clerks, cashiers, pensioners and the students. I have heard their concerns, their dreams, their hopes and their ideas for a better Canada.

I was also proud and pleased to be a member of the finance committee, a committee which held ongoing consultations with Canadians across this land, Canadians from all walks of life, from provincial and municipal leaders to business

leaders, major economic stakeholders, to the individual pensioner with an intelligent and innovative idea. Our government has also held public town hall meetings and round tables throughout the country. No government in history has ever reached out to so many to create a budget.

Our government listened to Canadians' priorities and that is why this year's budget is a jobs and growth budget, the number one clear priority for Canadians.

It builds on Canada's economic action plan to solidify our recovery. In year 2 of the plan we are investing \$19 billion to stimulate our economy and to complete the rapid roll out of stimulus projects in order to create jobs right now.

Budget 2010 also confirms the Conservative government's strong support for the provinces. Like other provinces, my home province of Ontario will continue to receive increased federal support through budget 2010. Total transfers will hit \$18.8 billion in 2010-11, an increase of \$801 million from last and \$6.9 billion more than under the previous Liberal government.

Under that previous Liberal government that starved provinces and municipalities of much needed support it really started the downloading trend. The Conservative government has increased key transfers, \$927 million through equalization, \$9.9 billion to through the Canada health transfer, an increase of \$243 million over last year, pro-rated at 6% per year and \$4.3 billion in social transfers, an increase of \$1.2 billion since 2005-06 or 36.6%.

Year two of Canada's economic action plan will also provide over \$1.3 billion in personal income tax relief in 2010-11 to help workers and families in Ontario to manage through difficult economic conditions. This means allowing people to earn more income before paying federal income taxes, before being subject to higher tax rates; the enhanced working income tax benefit which reduces the welfare wall by making work pay better for many low income Canadians; higher child benefits for parents and lower taxes for low and middle income seniors.

In conclusion, I am pleased to say that the budget addresses the challenges that face us and prepares the way for building our economy in the long term. It looks out for business owners who create the jobs that Canadians need. It looks out for seniors who are the vulnerable heart of our community. It looks out for farmers who put the food on our tables. It looks out for Canadian workers whose toil and effort drive the economy. It looks out for young people who will inherit and build

upon the legacy that we leave them. It looks out for all people in all provinces and territories. It really looks out for all of us.

Recently at the Winter Olympics our athletes proved that grit, hard work and tenacity paid off time and time again. I believe this is Canada's year. We are open for business. We are dedicated. We are working hard and we are building a Canada that will continue to care, to share and to prosper.