



**NEWS RELEASE
FOR IMMEDIATE RELEASE
December 2, 2009**

New federal pre-budget recommendations from the Calgary Chamber of Commerce place deficit elimination as the highest priority in 2010

(Calgary, AB) – Calgary’s business community is deeply concerned with Canada’s growing deficit and debt levels and recommended spending control as the highest priority in its 2010 federal pre-budget submission sent today to the Minister of Finance Jim Flaherty.

“Given government’s massive stimulus package and the record deficit, spending restraint must now be the focus,” said Heather Douglas, President & CEO of the Calgary Chamber of Commerce. “To avoid structural deficits and skyrocketing debt, government must apply a disciplined approach to eliminate the deficit.”

As noted in the *Fourth Report on Canada’s Economic Action Plan* released today, the federal stimulus is 97 per cent committed, and consumer and business confidence has rebounded. Now it’s time to focus on balancing the budget as quickly as possible.

In its submission, the Chamber recommended a target to reduce the deficit by 30 per cent this year, with reductions escalating by 10 per cent in subsequent years (i.e. by 40 per cent in 2011-2012, 50 percent in 2012-2013, etc.) until such time as it feasible to eliminate the entire deficit.

“Minister Flaherty should pour all his efforts into limiting the spending increase and elimination of inefficient and ineffective programs,” stated Douglas. “This will position Canada more competitively now and for the future.”

Part of this competitiveness agenda involves recognizing that personal tax competitiveness is still a major concern. According to the Federal Department of Finance, Canada’s personal income tax burden is the highest of the G-7 nations and is above the average of the OECD countries.

The Chamber acknowledges that in the current economic environment substantial reduction in personal tax rates would jeopardize the government’s ability to balance its budget. However, as the economic situation improves, a bold move is necessary to bring personal tax revenues, as a percentage of GDP, below the OECD average by 2015.

“Prioritizing spending restraint now gives Canada the opportunity to improve personal tax competitiveness in the future,” remarked Douglas.

Other recommendations addressed reduction of internal barriers to trade and EI reform.

The Chamber’s response is based on a pre-budget survey of membership. Managing spending to eliminate the deficit, controlling program spending, and reduction of internal trade barriers were identified as the top three federal priorities.



The submission to Canada's Finance Minister is available at the Chamber's website:
www.calgarychamber.com

About the Chamber

The Calgary Chamber of Commerce is a member-driven, sustainable organization whose mission is to connect, serve and champion the Calgary business community in its quest to excel.

The Public & Government Affairs Department measurably contributes to the Chamber's profile and effectiveness. We are the leading edge business advocate and forum for debate, and a credible source for policy analysis and issue commentary. We advocate new and innovative solutions to improve the business climate on behalf of our members.

– 30 –

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