



**NEWS RELEASE  
FOR IMMEDIATE RELEASE  
January 27, 2009**

**Federal budget charts a solid course for economy recovery**

(Calgary, AB) – Three main elements of the 2009 federal budget - strategic infrastructure spending, tax relief and focused, time-limited sectoral measures – provide a boost to help the Canadian economy move out of the short-term downturn and to a more competitive position in the future.

“This budget contains substantial stimulus to support our economic recovery,” says Geoff Pradella, Vice-President of Public & Government Affairs with the Calgary Chamber of Commerce. “Our members now urge all federal MPs to put aside partisan politics and focus on initiatives to improve investor and consumer confidence and stabilize the economy.”

The Chamber was particularly heartened to see personal tax relief for Canadians, one of its key pre-budget recommendations. “Personal tax relief puts more dollars in citizens’ pockets to spend and invest, and empowers individual Canadians with more decision-making room.”

Our members were equally pleased with the measures to improve the small business climate, including increasing the small business income threshold from \$400,000 to \$500,000 (a 25 per cent increase), and the maximum eligible loan amount under the Canada Small Business Financing program, which will improve small businesses’ access to credit.

Strategic infrastructure spending is also a good way to place more money in the economy and create jobs, while positioning Canada more competitively when this period of uncertainty subsides.

In a recent survey from Statistics Canada, between 1962 and 2006, roughly one-half of the total growth in multifactor productivity in the private sector was the result of growth in public infrastructure.

“Generally, governments get more bang for their buck on infrastructure during an economic downturn,” says Pradella. “However, it’s critical to invest in the right projects, ones that improve mobility and productivity.” Allocating one-third of infrastructure spending to research and technology will go a long way towards enhancing productivity.

Despite our unique economic circumstances and the need for additional spending, the Chamber is concerned about the size of this year’s deficit (\$34 billion) and those projected for future years.

“Canadians are worried about deficits and growing debt. They do not want a return to the past, where in 1990 the government spent almost 38 cents of every tax dollar on debt servicing charges,” says Pradella. “The time-limited nature of the sectoral tax breaks and infrastructure dollars will help Canada avoid a return to structural deficits, and keeps us below the net debt-to-GDP ratio G7 average.”



In addition, we strongly encourage the government to continue to find program savings through its Expenditure Management System (EMS) and reduce spending as the economy improves. In 2007, the first year of the EMS review, 17 organizations (15 per cent of total spending) were evaluated, resulting in savings of \$386 million.

“All regions in Canada have been impacted by the economic downturn,” comments Pradella. “Alberta is not immune. Its economy is slowing and cannot be relied upon to the same extent that it was in the past to fuel Canada’s growth. Therefore, we were pleased to see a number of broad-based measures that will benefit all Canadians including the province of Alberta.”

The full federal pre-budget submission is available at the Chamber’s website:  
[www.calgarychamber.com](http://www.calgarychamber.com)

### **About the Chamber**

The Calgary Chamber of Commerce is a volunteer driven, not-for-profit, and non-partisan advocacy group whose mission is to lead and serve the Calgary business community, valuing its diversity.

On critical and emerging issues in public policy, the Chamber acts as the leading forum for debate, and advocates public policy solutions that improve the business climate on behalf of our members.

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