

Budget 2010: Jobs and Growth for Durham Region and Beyond

By: Jim Flaherty, Whitby-Oshawa M.P., Minister of Finance and Minister Responsible for the GTA

The Canadian Economy is shifting gears and picking up speed. We are seeing plenty of positive signs as we head down the road to recovery. For instance, General Motors of Canada recently announced that it will be recalling more than 700 workers in Oshawa and hiring new employees for the first time in nearly a decade. In fact, more than 135,000 jobs have been created in Canada since July 2009. This job creation is being supported by stronger than expected growth in manufacturing, mining and construction. Our housing market is relatively stable and we have the lowest overall tax rate on new business investment among the world's largest western industrialized countries.

I am cautiously optimistic as we head into the second and final year of Canada's Economic Action Plan. But as I indicated in the 2010 Budget speech, "The way forward remains challenging." That's why we are investing nearly \$20 billion to stimulate the Canadian economy over the next year. This funding will allow us to continue building the modern infrastructure we need for long-term economic growth here in Durham Region and across Canada, such as roads, public transit and new community centres.

During the first year of our Economic Action Plan we started or completed about 16,000 infrastructure projects across Canada, including the new General Motors of Canada Automotive Centre of Excellence at the University of Ontario Institute of Technology in Oshawa. This world class research, development and innovation centre will be a magnet for business in Durham Region. This is where the next generation of clean and green vehicles, efficient energy technology, and products we haven't even thought of will be developed. We have also provided funding for other local projects such as the Energy Systems and Nuclear Science Research Centre at UOIT, Iroquois Park Sports Centre - Arena 1, Peel Park redevelopment and accessibility improvements and the Wastewater Treatment Improvements for Durham Region - Duffin Creek Water Pollution Control Plant.

Along with infrastructure renewal, Budget 2010 builds on our government's strong record of tax relief. We are providing more than \$3 billion in personal tax relief for Canadian families and low and middle income seniors, including higher child benefits for families. We are also supporting job retention and job creation by extending by one year our enhancements to the Work-Sharing program and creating new employment opportunities for young Canadians. This will enhance the nearly \$3 billion in Employment Insurance benefits we have provided to those who have found themselves out of work as a result of this recession.

Yet, when I am in the line getting a coffee at my local Tim Horton's, I am often reminded by my friends and neighbours that we cannot afford to continually spend beyond our means. They rightfully point out that a permanent deficit is not sustainable and I agree. That's why we have made it clear that this stimulus spending is temporary and will end by March 31, 2011. In fact, we have a plan to return to a balanced budget in the medium term. In this Budget our government proposes \$17.6 billion in targeted savings over five years, including freezing the salaries of the Prime Minister, Ministers, MPs and Senators. We also intend to freeze federal departmental budgets and conduct a comprehensive review of all government operations to seek efficiencies. I have made it clear that we will return to a balanced budget without raising taxes, reducing services for seniors or cutting transfers for health care, education or social services.

Some people may be skeptical, suggesting our goals are too lofty or unrealistic. But we have delivered a Jobs and Growth Budget that is designed to give Canadian businesses the freedom to invest, to innovate, to grow and to create jobs. I admit navigating a global recession is not easy, but Canadians have always faced challenges head-on and excelled. This time will be no different. The road to recovery does not go on forever, we will reach our destination, I am confident of that.