

News Release

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Budget 2010: Leading the Way on Jobs and Growth

The Honourable Jim Flaherty, Minister of Finance, today tabled a budget plan that builds on Canada's economic recovery with action to create jobs and growth, sustains our nation's economic advantages and includes a disciplined plan to return to balanced budgets.

"We present today a jobs and growth budget," said Minister Flaherty. "In this budget, we are completing our Economic Action Plan to create jobs now. We are taking additional measures to protect existing jobs and create new jobs. We are also looking ahead to secure our long-term economic growth."

Budget 2010 will help solidify Canada's economic recovery and sustain our economic advantage now and for the future. The budget plan has three key objectives.

Delivering Year 2 of Canada's Economic Action Plan

First, it confirms \$19 billion in new federal stimulus under Year 2 of Canada's Economic Action Plan to create and protect jobs. This new stimulus will be complemented by \$6 billion from provinces, territories, municipalities and other partners. The new stimulus for 2010-11 includes:

- \$3.2 billion in personal income tax relief.
- Over \$4 billion in additional benefits, training opportunities and Employment Insurance premium relief to help unemployed Canadians.
- \$7.7 billion in infrastructure stimulus to create jobs.
- \$1.9 billion to create the economy of tomorrow.
- \$2.2 billion to support industries and communities.

Creating the Jobs and Economy of Tomorrow

Second, Budget 2010 invests in a limited number of new, targeted initiatives to build jobs and growth for the economy of tomorrow, harness Canadian innovation, and make Canada a destination of choice for new business investment. Measures include:

- Over \$100 million to protect jobs by extending the maximum length for work-sharing agreements.
- \$108 million to support young workers through internships and skills development to help them find jobs and to support Aboriginal students.
- Over \$600 million to help develop and attract talented people, to strengthen our capacity for world-leading research and development, and to improve the commercialization of research.



- Making Canada a tariff-free zone for manufacturers, by eliminating all remaining tariffs on machinery and equipment and goods imported for further manufacturing in Canada.
- Establishing a Red Tape Reduction Commission to reduce paperwork for businesses.
- Measures to support investment in clean energy generation.

A Three-Point Plan for Returning to Budget Balance

Third, Budget 2010 outlines a three-point plan for returning to budget balance once the economy has recovered.

- First, the Government will follow through with the exit strategy built into the Economic Action Plan. Temporary measures in the Action Plan will be wound down as planned.
- Second, the Government will restrain spending through targeted reductions. Towards achieving this objective, Budget 2010 proposes \$17.6 billion in savings over five years.
- Third, the Government will undertake a comprehensive review of government administrative functions and overhead costs to identify additional savings and improve service delivery.

The Government will not raise taxes or cut major transfers for health care, education and pensioners.

As a result of the expiration of the Economic Action Plan and the measures in this budget, the deficit is projected to decline by almost half over the next two years to \$27.6 billion in 2011–12, and by two-thirds to \$17.5 billion in 2012–13. In 2014–15, the deficit is projected to be \$1.8 billion.

“Canada’s history shows what a free people served by good government can accomplish together,” said Minister Flaherty. “We are at a key moment in that history, as we emerge from the global recession. Our government means to be a partner in Canada’s recovery, not an obstacle to its growth.”

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