

**Mr. Brent Rathgeber (Edmonton—St. Albert, CPC):** 

Mr. Speaker, it is an honour for me to rise and contribute to this budget debate, especially in light of the fact that in approximately one hour the budget will be determined in the House.

On December 7, 1867, Prime Minister Sir John A Macdonald's finance minister, Sir Alexander Galt, tabled Canada's first ever budget. It was a modest effort by today's standard, just \$5.3 million in government spending. It included a rather sizable surplus of \$2.1 million.

Since then, members of this hallowed House have debated 142 budgets, 22 mini-budgets, interim budgets and economic updates tabled by 38 different finance ministers. They have debated them in high and in low economic times. They have approved spectacular surpluses and devastating deficits.

There is perhaps no better historical indicator of the ups and downs of prosperity and recession than the federal budget, and this year's is certainly no exception.

However, this budget, Canada's 143rd, is in many ways unlike any this country has ever seen. In years past, when governments faced financial peril and wrestled with the notion of deficit spending, they did so largely from self-inflicted economic conditions. Challenges relating to dwindling revenues and a waning economy could usually be traced to something domestic: a short-sighted policy decision or some kind of over-regulation for example.

Unfortunately, in 2009 Canada has entirely imported this economic turbulence. Let me be perfectly clear. What we face today has absolutely nothing to do with Canada. Canada did not issue billions in questionable mortgages to under-qualified applicants. Canada did not turn a blind eye to its lending institutions as they passed around bad debt like a hot potato. Canada did not tell American banks to close their wallets and did not tell consumers to stop opening theirs.

In fact, while the American economy spiralled into oblivion, Canada continued to adhere to its high standards of fiscal regulation and prudent budgeting.

I was taught at a young age to never live beyond my means. It is something that I still hold strong to today. Whether it is a household, a corporate venture or a government, they will always be on solid ground provided they do not spend more than they take in. When they do so, invariably there will be consequences.

Canada was not living beyond its means when this economic storm hit. Regardless, here we are facing a once in a generation economic downturn. We are not in this alone. This economic torrent is pulling the world into a tailspin, swiftly dragging economies into recession and

governments into deficit, regardless of how innocent or how guilty they were in forging this crisis.

Canada, by every economic indicator, is in the best shape of any G7 country to weather the economic storm.

In Alberta, where I come from, we are particularly insulated but by no means immune to the economic downturn. Stimulating demand and investing in public infrastructure is need even in Alberta.

I am here to tell the House why I believe that the government's economic action plan is the answer to our nation's economic woes and why a short term deficit with targeted stimulus measures is the best and perhaps the only way to restore prosperity to this great country.

This was the earliest budget in modern Canadian history. It was by far the most widely consulted budget ever undertaken. It represents a product of the consultative process and the input of literally thousands of Canadians.

We do not relish deficit financing. It is with a heavy heart that we announced the \$34 billion in projected revenue shortfall. However, extraordinary circumstances require extraordinary measures.

I am one of the many small *c* conservatives in the House. As we all know, we do not always respond favourably to the *d* word. During my years as a member of the Alberta legislature, the thought of running a deficit would have been unthinkable. However, if ever there was a time to set aside political dogmas, this is it.

The last thing Canada needs right now is a chamber full of ideologues trying to score style points in an age old debate that will never be resolved. We need to get on with the business of managing the economy and that is exactly what the budget proposes to do. If it means a deficit, so be it.

However, let us look past the ugliness associated with the word “deficit” and focus on what it will mean for Canada.

First, it will mean jobs. One of the earliest Public Works projects commissioned in Canada lies just down the street from this House: the Rideau Canal. For five years, the British Crown employed thousands of workers to build a waterway. Ever since then, public infrastructure projects have been some of the best ways to get Canadians working and the economy moving. With just over \$7 billion in provincial and municipal infrastructure stimulus over the next two years, a host of new construction jobs will soon be available to Canadians.

Second, it will mean savings. The tax relief measures in this budget will save Canadians a total of \$20 billion over the next five years, which means more money in their pockets when they need a cushion the most. In challenging economic times, tax reductions are an essential part of the government's effort to stimulate the economy. By increasing the personal deduction to \$10,320 and by raising the upper limits of the two lowest tax brackets, we would allow hard-working Canadians to keep but, hopefully, spend more of their hard-earned money.

Third, it will mean homes. This budget aims to help Canadians secure affordable and reliable forms of housing. By providing tax incentives for home renovations, shoring up social housing and easing the burden for first-time homebuyers, Canadians will have access to decent housing when they need stability the most.

Fourth, it will mean commerce. This budget makes specific and pointed investments in several ailing sectors of our economy and reduces operating costs for all small businesses. These investments should jolt sectors like forestry and agriculture back into action when Canadians need healthy markets the most.

Finally, it will mean credit. One of the biggest drivers of the recession has been a lack of available credit to help families adapt and businesses expand. Increased small business borrowing limits and more flexible crown financing institutions will mean more available money when Canadians need cashflow the most.

If that is what running a deficit means, especially at this extraordinary time in our nation's history, then I cannot possibly be against it. If we must go down the road of deficit financing, we should do it now when the price of borrowing is low. If we want to add infrastructure, we should do it now when the price of steel and skilled labour is significantly reduced.

It must be noted that there is nothing in this budget that even hints at the possibility of deficits once again becoming the norm in this country. Canada has been down that path before and it bogged us down in terms of productivity and economic growth.

This government has absolutely no intention of lulling Canadians back into accepting annual or structural deficits. The way this budget is structured, we will be back into surplus within five years, by which time, I should add, Canada will have by far the lowest debt to GDP ratio of any G7 country. If there is such a thing as a fiscally responsible deficit, I would suggest that this is it.

Earlier in my speech I said that this budget was unlike any this country has ever seen. Given the extraordinary measures contained in it, I am sure most members would agree. However, every Canadian budget, all 143 of them since Confederation, have one thing in common: they were all crafted with the utmost consideration for the people of this great nation.

Similarly, the stimulus measures contained in budget 2009 may appear surprising, even shocking, to a nation that has become accustomed to annual surpluses but they appear that way for a reason. These are extraordinary times and so too must be our response.

In that sense, it is not about comparing the strength of Canada's balance sheet to that of other nations or to the balance sheets of the past. It is not about bailing out one sector of the economy and not another. It is not about spending hikes or tax cuts. It is not even about the deficit. Quite simply, it is about doing what is best for the Canadian economy at this extraordinary time.

Today I would urge members on both sides of this House to consider what the course of action would look like. In my view, Canada's economic action plan is the right response to this unprecedented economic downturn, and I congratulate the [Minister of Finance](#) for presenting it one week ago. It recognizes the need for sector specific inducements but at the same time acknowledges that the Canadian economy will only be as successful as her citizens. The economic action plan provisions, especially in housing, will create new demands and, with improved access to credit, the market will be much better equipped to meet them.

Of course I support Canada's economic action plan. This budget is responsible. It is a measured response to an international and extraordinary circumstance. It is my sincere hope that all members of this assembly will carefully consider these measures and draw the same conclusions as I have.

With thousands of Canadians losing their jobs, Canadians expect their government to take decisive action. The economic stimulus package contained in the economic action plan will put displaced Canadians back to work while building much needed public works and infrastructure.

Compromise is a part of the Canadian tradition. Canada's economic action plan is both a product of its unprecedented consultative process--

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[The Deputy Speaker:](#) 

Order, please. I must stop the hon. member there to allow questions and comments.

The hon. Minister of Transport.

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[Hon. John Baird \(Minister of Transport, Infrastructure and Communities, CPC\):](#)  

Mr. Speaker, I congratulate the member for his speech. He made a number of insightful comments. I want to talk about two things he raised, one being credit.

The [Minister of Finance](#) has done a lot to tackle that issue, working with many others. He spoke about that in his constituency. Whether it is with large enterprises, small or medium sized ones or individuals, this continues to be a significant challenge in my riding of Ottawa West--Nepean.

The member also spoke about infrastructure. The public service has done a huge amount of work putting together an infrastructure package and doing what we can to speed up approvals. I congratulate the [Minister of Finance](#) and Adam Chambers from his office who worked very hard on this.

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[Mr. Brent Rathgeber:](#)  

Mr. Speaker, I appreciate the hard work that the [Minister of Infrastructure](#) is doing and the process that he and his department have had in promoting this economic package.

Clearly Canadians require stimulus at this time. Public Works and Infrastructure has long been a part of the Canadian tradition, from the national railway that our first prime minister undertook to the impressive projects that this government will be undertaking. I congratulate the [Minister of Infrastructure](#) for his contribution to the economic stimulus package.

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[Hon. Bryon Wilfert \(Richmond Hill, Lib.\):](#) 

Mr. Speaker, I heard the member say that the government was heading into what he called a responsible deficit. I think that is a bit of an oxymoron, but in any event, having been parliamentary secretary to two ministers of finance I can tell members how difficult it is to get out of a deficit. A short term deficit over 23 years, there is no such thing as short term. I am not sure where he gets this idea that in five years we will eliminate this massive deficit that we have. I know that the Conservatives had a \$12.5 billion surplus when they entered government. I know that they had a \$13 billion deficit prior to the stimulus package.

I have a question concerning infrastructure. When will we see timelines to deal with needed infrastructure in this country, to deal with the situation that cities, towns and communities have in terms of not only putting people to work but ensuring we have an economic package that will

deal with the definite needs for communities dealing particularly with green infrastructure, sewers, clean water, et cetera?

We need to have that rolled out soon. I am sure his colleague next to him knows the short timeline we have for construction season. We need to get that out there. Mayors need to know when it will be rolled out. I would like to hear from the member when that will happen. It is too bad the minister is still not here because I am sure the minister could have whispered over to him the timeline. If the government has announced it, surely it knows when it will do it.

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**[Mr. Brent Rathgeber:](#)**  

Mr. Speaker, I think I posed it as a query in my comments as to whether or not there was such a thing as a responsible deficit, but I would advocate that if there is such a thing this is it because these are extraordinary times where Canada is heading into economic turmoil beyond its control with the potential for a large downturn in economic growth, and of course the job losses that come with it.

With respect to the second part of his comment and question, the [Minister of Infrastructure](#) has laid out a five point plan. We are in the process of approving projects. Shovel-ready projects of course will be the first to go. Other projects will be rolled out. These are the types of projects that will immediately put money back into the economy and put Canadians back to work.

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**[Mr. Mike Wallace \(Burlington, CPC\):](#)**  

Mr. Speaker, I want to thank the member for his excellent speech and for his view . It was a Canadian view that he gave on what was happening for the country. Not all the views in this House are the same in terms of looking at what is best for Canadians overall.

Would there be an item or two in the economic action plan that will have a direct effect on his riding that he would like to highlight to this House?

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**[Mr. Brent Rathgeber:](#)** 

Mr. Speaker, the home renovation tax credit program is a program that I believe many constituents in northwest Edmonton and the city of St. Albert will be able to access.

Many projects have been put off for a considerable period of time. As is reasonably well-known in this House, until very recently Alberta has had an overcharged economy and as a result was frequently unable to find tradespersons to do that type of work. At this point in our economy it is slowing down and workers are available. I think the people in my riding and all over Alberta will take advantage of the \$1,350 maximum tax credit to do some renovations to their homes and to put some tradespeople back to work.