

## Budget targets \$7B for infrastructure

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*Monday, January 26, 2009*

OTTAWA - Tuesday's budget will contain details on \$7 billion in new infrastructure spending, Infrastructure Minister John Baird said Monday.

Baird said Ottawa would set aside \$4 billion for an infrastructure stimulus fund that provinces and municipalities could tap into for new projects; a \$2-billion fund for infrastructure improvements at the country's colleges and universities; and a \$1-billion 'green' infrastructure fund.



"We did not start this economic crisis, but we will take steps to protect Canadians and our country from it," he said.

CREDIT: Chris Wattie/Reuters  
baird.jpg

Baird's announcement was the latest in a string of similar announcements from federal cabinet ministers and top advisers in the Prime Minister's Office ahead of Tuesday's official release of the budget.

"We have an important responsibility to communicate our plans to the Canadian people," Baird said.

With Baird's announcements, the government has now tipped its hand on more than \$13 billion worth of new spending to be announced in Tuesday's budget, a budget whose bottom line will be a \$34 billion deficit for 2009-2010.

Parliament resumes Monday afternoon with the speech from the throne, a ceremony that's likely to be a perfunctory affair as the government is not likely to depart significantly from the roadmap it sketched out in the throne speech delivered Nov. 19. Harper was forced to prorogue Parliament less than a month later to avoid being upended in a confidence vote and losing the government to a Liberal-led coalition.

On Sunday, Human Resources Minister Diane Finley said the budget would include \$1.5 billion to help workers acquire new skills and another \$2 billion to build new housing for lower-income Canadians. On Friday, Finley also announced Ottawa would create a new regional economic development agency for southern Ontario, an agency that Canwest News Service has learned could have an annual budget of about \$250 million.

Also on Sunday, Heritage Minister James Moore told reporters in Quebec that

the government will boost spending on cultural programs by \$160 million. Conservative strategists believe they lost a chance to pick up seats in Quebec in the last election after misplaying the way they went about trimming Ottawa's multi-billion-dollar annual support for culture by about \$50 million a year.

And finally, Diane Ablonczy, secretary of state for small business, told reporters that Flaherty's budget would contain more than \$300 million worth of initiatives to boost Canada's tourism sector.

All of that followed a flurry of announcements Friday by several ministers, touting various budget initiatives that total nearly \$2 billion. At least four ministers, including Agriculture Minister Gerry Ritz and Natural Resources Minister Lisa Raitt, spoke about a new \$1-billion fund to help unemployed workers in small and rural communities.

And on Thursday, political advisers in Harper's office gave a not-for-attribution briefing to Parliament Hill reporters to explain that the deficit associated with all that spending would be \$34 billion in 2009-10 and \$30 billion in 2010-11.

The Conservatives are counting on a robust spending package to help lift Canada's economy out of recession but they also hope to neuter plans by opposition politicians to replace their government with a Liberal-led coalition.

The series of pre-announcements, though, has drawn widespread criticism from the opposition as well as many public service commentators who said they weaken the credibility of Finance Minister Jim Flaherty and his officials at the Department of Finance.

With many of the big spending announcements already made, Flaherty's budget speech will be closely watched for tax measures.

In an exclusive interview with Global Television on Friday, Prime Minister Stephen Harper said some of those tax measures would be permanent. Some, he said, will be introduced on a temporary basis to deal with the fiscal crisis but some - a moderate and affordable amount, he said - will outlast the crisis.

Flaherty has also promised to provide a plan to take Canada out of deficit within five years.

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