



**HOUSE OF COMMONS  
CANADA**

# **IMPLEMENTATION OF THE ECONOMIC ACTION PLAN**

## **Interim Report of the Standing Committee on Government Operations and Estimates**

**Yasmin Ratansi, M.P.  
Chair**

**MAY 2010**

**40th PARLIAMENT, 3rd SESSION**

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Available from Communication Canada — Publishing, Ottawa, Canada K1A 0S9

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Chair**

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# **THE STANDING COMMITTEE ON GOVERNMENT OPERATIONS AND ESTIMATES**

has the honour to present its

## **FIRST REPORT**

Pursuant to its mandate under Standing Order 108(3)(c), the Committee has studied the implementation of the economic action plan and has agreed to report the following:



## TABLE OF CONTENTS

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IMPLEMENTATION OF THE ECONOMIC ACTION PLAN.....	1
RECOMMENDATIONS.....	3
APPENDIX A: LIST OF WITNESSES .....	5
APPENDIX B: LIST OF BRIEF.....	9
REQUEST FOR GOVERNMENT RESPONSE.....	11
DISSENTING OPINION FROM THE CONSERVATIVE PARTY OF CANADA.....	13



# INTRODUCTION

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During the summer of 2008, an extraordinary economic downturn spread throughout the entire planet and has led in its wake to the greatest recession of the world economic activity since the Great Depression of the 1930s. Canada's economic activity, measured by real gross domestic product (GDP), contracted by 3.6%. However, during the second half of 2009, the economy emerged from recession, with real GDP increasing 0.9% in the third quarter and 5.0% in the fourth quarter. The unemployment rate recently fell to 8.2% following an increase to 8.7% in mid-2009; however, it remains 2% higher than its pre-recession level.<sup>1</sup> Because of the fall in tax revenues and the increase in government expenditures aimed to support the economic recovery, the federal government has returned to budgetary deficits. According to the most recent forecast, the size of Canada's deficit will rise to \$53.8 billion for the fiscal year that will end March 31, 2010.<sup>2</sup>

The Committee on Government Operations and Estimates (hereinafter the Committee) undertook the study of the implementation of the Economic Action Plan to understand whether the unprecedented approval of infrastructure funding was actually boosting the economy through the creation of jobs. The Committee did not receive much of the information it requested to determine the real impacts of the stimulus package.

Representatives from municipal organizations, the Parliamentary Budget Officer, and Infrastructure Canada could not give an indication of the exact amount of monies that have been spent or the number of jobs that have either been maintained or created. Given that no witness could provide these hard details, the Committee is also frustrated about the advertising of the Economic Action Plan which has implied the success of the stimulus package and the number of jobs created.

Budget 2009, *Canada's Economic Action Plan*, which included an economic stimulus package, was announced on January 27, 2009. This budget set out measures totalling \$40 billion in support of the economy over the fiscal years 2009-2010 and 2010-2011. The *Budget Implementation Act* received Royal Assent on March 12, 2009, and its passage authorised almost \$6 billion in immediate funding for infrastructure projects as part of the government's stimulus package.

In addition, a significant portion of the stimulus package, the \$3 billion Budget Implementation Vote, also known as Treasury Board Vote 35, was created in the *2009-2010 Main Estimates* to provide an unprecedented mechanism to enable shovel-ready projects included in Budget 2009 to be implemented as quickly as possible.

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1 Canada's Economic Action Plan Year 2 Budget 2010, *Leading the way on Jobs and Growth*, March 4, 2010, p. 24.

2 Ibid. p. 165.

The Committee is mandated by Standing Order 108(3)(c)(i) to the review of and report on the effectiveness, management and operation of specific operational and expenditure items across all departments and agencies. The implementation of the economic stimulus package is a government-wide initiative. The Economic Action Plan contained in Budget 2009 set out changes to Employment Insurance, amendments to the tax system, and infrastructure investments in municipalities, provinces and federally-owned buildings.

The purpose of this report is to determine whether, after the first year of the implementation of the Economic Action Plan announced in Budget 2009, the government is on track in its funding of programs and projects aimed at stimulating the economy and creating jobs. The Committee held 14 hearings specifically on the implementation of the Economic Action Plan from March 2009 to December 2009. Given the extraordinary level of stimulus funding put forward by the government, and the need for transparency and accountability in the delivery of this funding, the Committee believed it was imperative to study this issue in an in-depth manner. Canadian taxpayers have the right to know whether federal stimulus dollars are being effectively and efficiently spent.

The recommendations contained in this interim report are based on testimony heard by the Committee from March 5, 2009, to December 8, 2009.

The Committee will continue to monitor the implementation of the Economic Action Plan to ensure that the government is more forthcoming and accountable with information it provides Canadians.

# RECOMMENDATIONS

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The Committee recommends that:

## **Recommendation 1**

The government improve its reporting of the implementation of the Economic Action Plan by enhancing the [actionplan.gc.ca](http://actionplan.gc.ca) website to include more details concerning the projects that have received economic stimulus funds, such as adding the exact amount of federal money committed to a project, the amount of federal money spent and the number of jobs that have been created or maintained by funding the project.

## **Recommendation 2**

The government abide by its obligations under the *House of Commons Procedure and Practice, Second Edition, 2009*, page 1070, which states that “federal departments and agencies are required to submit documents to committees in both official languages.”

## **Recommendation 3**

The government honour its funding commitments for all projects that have been approved for stimulus spending, even if the implementation of the projects continue past the March 31, 2011 deadline.

## **Recommendation 4**

The government must study the direct impact of the Economic Action Plan on the maintenance and creation of jobs, both federally and provincially, and report employment numbers to Canadians as soon as these numbers become available.

## **Recommendation 5**

Any lapsed funding earmarked for the Infrastructure Stimulus Fund be distributed using the same formula of the Gas Tax Fund.

## **Recommendation 6**

The government establish strict guidelines that ensure that all government advertising is seen to be strictly non-partisan in both look and feel and content, and that any links from government websites do not have links to partisan material.



## APPENDIX A LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<b><u>40th PARLIAMENT, 2nd SESSION</u></b>		
<b>Department of Transport</b>	2009/03/05	8
Hon. John Baird, P.C., M.P., Minister of Transport, Infrastructure and Communities		
<b>Infrastructure Canada</b>		
Carol Beal, Assistant Deputy Minister, Program Operations Branch		
John Forster, Assistant Deputy Minister, Policy and Communications Branch		
Louis Ranger, Deputy Head		
<b>Department of Finance</b>	2009/04/02	14
Chris Forbes, Director, Fiscal Policy Division, Economic and Fiscal Policy Branch		
<b>Privy Council Office</b>		
Tim Sargent, Assistant Secretary to the Cabinet, Liaison Secretariat for Macroeconomic Policy		
<b>Treasury Board Secretariat</b>		
Alister Smith, Assistant Secretary, Expenditure Management Sector		
<b>Department of Finance</b>	2009/04/21	15
Paul Rochon, Assistant Deputy Minister, Economic and Fiscal Policy Branch		
<b>Privy Council Office</b>		
Tim Sargent, Assistant Secretary to the Cabinet, Liaison Secretariat for Macroeconomic Policy		
<b>Treasury Board Secretariat</b>		
Alister Smith, Assistant Secretary, Expenditure Management Sector		
<b>Department of Transport</b>	2009/05/14	22
Hon. John Baird, P.C., M.P., Minister of Transport, Infrastructure and Communities		
<b>Infrastructure Canada</b>		
Carol Beal, Assistant Deputy Minister, Program Operations Branch		
David Cluff, Assistant Deputy Minister, Corporate Services Branch and Chief Financial Officer		

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Infrastructure Canada</b> John Forster, Assistant Deputy Minister, Policy and Communications Branch Louis Ranger, Deputy Head	2009/05/14	22
<b>Atomic Energy of Canada Limited</b> Michael F. Robins, Senior Vice-President and Chief Financial Officer	2009/06/04	26
<b>Department of Human Resources and Skills            Development</b> Su Dazé, Acting Comptroller Joanne Lamothe, Acting Assistant Deputy Minister, Programs Operation Branch Frank Vermaeten, Senior Assistant Deputy Minister, Skills and Employment Branch		
<b>Department of Industry</b> Kevin Lindsey, Chief Financial Officer		
<b>National Research Council Canada</b> Pat Mortimer, Vice-President, Technology and Industry Support		
<b>Service Canada</b> Liliane Binette, Assistant Deputy Minister, Operations Branch		
<b>Western Economic Diversification</b> Daniel Watson, Deputy Minister		
<b>Federation of Canadian Municipalities</b> Michael Buda, Director, Policy and Research Brock Carlton, Chief Executive Officer Hans Cunningham, First Vice-President	2009/10/22	35
<b>Fédération Québécoise des Municipalités</b> Erika Dufresne-Desjardins, Economist and Research and Policy Advisor Bernard Généreux, President		
<b>Union of Quebec Municipalities</b> Joël Bélanger, Policy Advisor Jean Perras, Mayor of Chelsea		

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Library of Parliament</b> Mostafa Askari, Assistant Parliamentary Budget Officer, Economic and Fiscal Analysis, Office of the Parliamentary Budget Officer Sahir Khan, Assistant Parliamentary Budget Officer, Expenditure and Revenue Analysis, Office of the Parliamentary Budget Officer Kevin Page, Parliamentary Budget Officer Peter Weltman, Financial Advisor, Expenditure and Revenue Analysis , Office of the Parliamentary Budget Officer	2009/10/27	36
<b>Department of Finance</b> Doug Nevison, Director, Fiscal Policy Division, Economic and Fiscal Policy Branch <b>Department of Transport</b> Mary Komarynsky, Assistant Deputy Minister, Programs, Programs Group Hon. John Baird, P.C., M.P., Minister of Transport, Infrastructure and Communities Hon. Rob Merrifield, P.C., M.P., Minister of State (Transport)	2009/10/29	37
<b>Infrastructure Canada</b> Yaprak Baltacioglu, Deputy Minister, Office of the Deputy Head John Forster, Associate Deputy Minister		
<b>Privy Council Office</b> Simon Kennedy, Deputy Secretary to the Cabinet, Plans and Consultation Wayne G. Wouters, Clerk of the Privy Council and Secretary to the Cabinet	2009/11/03	38
<b>Treasury Board Secretariat</b> Michelle d'Auray, Secretary of the Treasury Board of Canada Philip A Hurcomb, Assistant Secretary		
<b>American Federation of Labor and Congress of  Industrial Organizations (AFL-CIO)</b> Christopher Smillie, Policy Analyst, Government and Regulatory Affairs, Building and Construction Trades Department, Canadian Office	2009/11/17	40
<b>International Union of Operating Engineers</b> Steven Schumann, Canadian Director, Government Affairs		

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>United Association of Plumbers and Pipefitters</b> Larry Cann, Special Assistant Director, Canadian Region	2009/11/17	40
<b>Infrastructure Canada</b> Yaprak Baltacioglu, Deputy Minister, Office of the Deputy Head John Forster, Associate Deputy Minister	2009/11/24	42
<b>Treasury Board Secretariat</b> Michelle d'Auray, Secretary of the Treasury Board of Canada Alister Smith, Assistant Secretary, Expenditure Management Sector		
<b>Infrastructure Canada</b> Yaprak Baltacioglu, Deputy Minister, Office of the Deputy Head John Forster, Associate Deputy Minister	2009/12/03	45
<b>Department of Finance</b> Benoit Robidoux, General Director, Economic and Fiscal Policy Branch Paul Rochon, Senior Assistant Deputy Minister, Economic and Fiscal Policy Branch	2009/12/08	46
<b>Infrastructure Canada</b> Yaprak Baltacioglu, Deputy Minister, Office of the Deputy Head John Forster, Associate Deputy Minister		

# APPENDIX B LIST OF BRIEF

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## Organization

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### 40th PARLIAMENT, 2nd SESSION

Association of Municipalities of Ontario



# REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this report.

A copy of the relevant Minutes of Proceedings (40th Parliament, 3rd Session: [Meetings Nos. 5, 7, 10 and 14](#) and 40th Parliament, 2nd Session: [Meetings Nos. 8, 14, 15, 22, 26, 28, 35, 36, 37, 38, 40, 42, 45 and 46](#)) is tabled.

Respectfully submitted,

Yasmin Ratansi, M.P.  
Chair



**The Economic Stimulus Package**  
**A Dissenting Opinion by the Conservative Party of Canada on the report of the Standing Committee on Government Operations and Estimates**

The Conservative Party of Canada presents this report regarding the recent study on the Economic Stimulus Package by the Standing Committee on Government Operations and Estimates, as our members believe that the main report does not sufficiently, accurately and/or fairly address certain issues.

In late 2008 the world experience a global recession that, while not caused by Canada, began to have a detrimental effect on the Canadian economy in early 2009 and was the deepest global recession since the Second World War.

Canada has been one of the least affected countries of all the developed nations. We were one of the last countries to enter the recession and we were one of the first countries to come out of it. This is partly because of the strong fiscal management and prudent economic policies of the Government of Canada.

Still the recession had a negative effect on the Canadian economy and Canadian jobs that required action from all levels of Government to ensure that the nation's economy would be least affected and come out as one of the strongest of all developed nations.

The Conservative Government acted in an unprecedented way with Canada's Economic Action Plan that was tabled in Parliament on January 27, 2009. This plan has stimulated the economy through:

- Immediate Action to Build Infrastructure;
- Action to Reduce Taxes and Freeze EI Rates;
- Action to Stimulate Housing Construction;
- Action to Improve Access to Financing and Strengthen Canada's Financial System;
- Action to Help Canadians; and
- Action to Support Businesses and Communities.

After more than a year after it began helping Canadians and the Canadian economy the Economic Action Plan is showing real tangible results. The following is a list of what has been done through Canada's Economic Action Plan (Source:

<http://www.actionplan.gc.ca/eng/feature.asp?featureId=4>):

### **Building Infrastructure to Create Jobs**

Canadians in all regions have already benefited from the implementation of Canada's Economic Action Plan in year 1:

- Commitments are in place for almost 16,000 projects across the country. Over 12,000 of these projects have begun or have been completed.
- One objective of the Economic Action Plan was to maintain or create 220,000 jobs. The Action Plan is on track. It has contributed to the creation of over 135,000 jobs recorded in Canada since July 2009.
- By the end of March 2010, most of the \$37 billion in planned 2009–10 federal and provincial/territorial stimulus will have flowed into the economy.
- The Government has committed all of the funding available for projects under the \$4-billion Infrastructure Stimulus Fund.

- Almost all of the \$500 million available under the Recreational Infrastructure Canada program has been committed to almost 2,000 projects across the country to build and upgrade hockey arenas, soccer fields, swimming pools and other community-based recreational facilities. Over 1,500 projects are already underway or completed.
- More than half of the \$1 billion of federal funds available over five years under the Green Infrastructure Fund has been committed and the Government is continuing to evaluate other proposals.
- The Economic Action Plan committed significant funds to repair and renovate the federal government's building portfolio. A total of 324 repair and renovation projects have already been completed and over 900 projects worth over \$128 million are currently underway.
- In addition, funding was provided to enhance the accessibility of Crown-owned buildings for persons with disabilities. To date, 40 projects have been completed and over 175 projects worth about \$16 million are currently underway.
- On sections of the Alaska Highway from Summit Lake, British Columbia to the Yukon border, deck repairs to eight bridges were completed, 28 kilometres of asphalt road surface was repaved, and an intersection was rebuilt to make it safer. These investments totaled \$12 million and were all completed on budget and during the short northern summer construction period.
- Implementation of the Small Craft Harbours Accelerated Infrastructure Program has progressed more quickly than anticipated. To date, 242 repair, maintenance, and dredging projects representing \$177 million are in the engineering or tendering processes, under construction, or have been completed.

### **Tax Relief for Individuals, Families and Businesses**

- The amount of income that Canadians can earn before paying federal income tax was further increased, and the top of the two lowest income tax brackets was increased so that Canadians can earn more income before being subject to higher tax rates.
- The Working Income Tax Benefit, first introduced in Budget 2007, has been effectively doubled. This enhancement lowers the "welfare wall" by further strengthening work incentives for low-income Canadians already in the workforce and encouraging other low-income Canadians to enter the workforce.
- The level at which the National Child Benefit supplement for low-income families is fully phased out and the level at which the Canada Child Tax Benefit begins to be phased out have been raised, providing a benefit of up to \$436 per year for a family with two children. Additional monthly benefits under these programs began to be paid to families with children in July 2009.
- The Age Credit amount was increased by \$1,000 to provide tax relief to low- and middle-income seniors. This means additional annual tax savings of up to \$150 per year for low-income seniors.
- To assist first-time home buyers, Canada's Economic Action Plan provided a tax credit of up to \$750 as well as additional access to their Registered Retirement Savings Plan savings to purchase or build a home.
- Tax relief for individuals and families announced in Canada's Economic Action Plan is now fully implemented, and Canadians are realizing its benefits.
- The Home Renovation Tax Credit provided an estimated 4.6 million Canadian families with up to \$1,350 in tax relief on eligible renovation projects. Canadians will be able to claim the credit when they file their 2009 income tax returns.

- To help businesses adopt newer technology at a faster pace, a temporary two-year 100-per-cent capital cost allowance (CCA) rate for computers acquired after January 27, 2009 and before February 1, 2011 was introduced.
- To help businesses in manufacturing and processing industries restructure and retool to position themselves for long-term success, the temporary 50-per-cent straight-line accelerated CCA rate for investments in manufacturing or processing machinery and equipment was extended to include investments undertaken in 2010 and 2011.
- To help small businesses retain more of their earnings for reinvestment, expansion and job creation, the amount of small business income eligible for the reduced federal income tax rate was further increased to \$500,000 effective January 1, 2009, following a previous increase to \$400,000 from \$300,000 as of January 1, 2007.
- The temporary Mineral Exploration Tax Credit was extended to March 31, 2010 to support mineral exploration activity across Canada.
- Actions the Government has taken since 2006 are providing important stimulus to the economy and creating jobs, with almost \$160 billion in tax relief for individuals and families over 2008–09 and the following five fiscal years. Key actions include:
  - All Canadians – even those who do not earn enough to pay personal income tax—are benefiting from the 2-percentage-point reduction in the Goods and Services Tax (GST) rate. Maintaining the GST Credit level while reducing the GST rate by 2 percentage points translates into more than \$1.1 billion in GST Credit benefits annually for low- and modest-income Canadians, making purchases more affordable for these Canadians.
  - All tax payers are benefiting from the reduction in the lowest personal income tax rate to 15 per cent from 16 per cent.
  - The Tax-Free Savings Account, introduced in Budget 2008, is improving incentives to save through a flexible, registered general-purpose account that allows Canadians to earn tax-free investment income.
  - The Government has also introduced relief measures targeted to help families, students, seniors and pensioners, workers, persons with disabilities, and communities.

## **Helping the Unemployed**

Canadians have felt the impacts of the global economic slowdown. Canada's Economic Action Plan includes \$7 billion over two years to support those workers most affected and help them access opportunities through skills development and training. The Government has delivered over \$2.9 billion in support for the unemployed in 2009–10 and will provide a further \$4 billion in 2010–11.

Over the course of the recession, the Employment Insurance (EI) program has provided Canadians with needed temporary support. Total EI expenditures are expected to be \$6 billion higher in both 2009–10 and 2010–11 than they were last year.

Canada's Economic Action Plan has taken immediate and decisive action to protect jobs and help Canadians directly affected by the global recession. At the same time, the Government has maintained a focus on the economy of the future by contributing to the development of a skilled, flexible and knowledgeable workforce. These initiatives will continue to support jobs and training through 2010–11:

- An extra five weeks of EI benefits have already been provided to over 512,583 EI claimants. This extension of benefits will remain available to workers making EI claims up to September 11, 2010.
- The EI premium rate will remain at \$1.73 per \$100 in insurable earnings in 2010, the lowest level since 1982. This represents projected relief of \$11.1 billion over 2009 and 2010 for Canadian workers and their employers relative to what would have been the case had rates been set at the break-even level over these two years.
- More than 8,445 long-tenured workers are receiving additional benefits in order to participate in long-term training. The intake for workers participating in this program will continue until May 29, 2010. In addition, the Government has provided further assistance to more than 500,000 long-tenured workers by making between 5 to 20 weeks of additional benefits available to those who have paid into EI for years.
- In January 2010, over 160,000 Canadians were participating in approximately 5,900 work-sharing agreements.
- Payments have been made to more than 15,000 claimants under the Wage Earner Protection Program.
- The Government has responded to the needs of Canada's self-employed workers by providing on a voluntary basis EI special benefits, including maternity, parental, sickness and compassionate care benefits, to the self-employed. The self-employed can now register for the EI program to gain access to these benefits.
- The Government provided \$750 million to the provinces and territories in 2009–10 in support of training and skills development programs, benefiting more than 122,000 Canadians, and will provide a further \$750 million in 2010–11.
- It is expected that current projects under the enhanced Targeted Initiative for Older Workers will provide additional support to over 5,400 older workers.
- Over 3,500 summer jobs were created as a result of additional support provided to the Canada Summer Jobs Program in 2009–10. A similar number of additional jobs are expected to be created this summer.
- Training and skills development support will be provided to more than 11,500 Aboriginal Canadians through Aboriginal Skills and Employment Partnerships and the Aboriginal Skills and Training Strategic Investment Fund.
- Apprenticeship Completion Grants have already been provided to almost 16,000 apprentices who completed their apprenticeship training and obtained their certification in any of the designated Red Seal trades.
- Support is being provided to implement the Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications.
- Funding is currently supporting almost 300 youth internships in not-for-profit and community service organizations through the YMCA and YWCA.

### **Stimulating Housing Construction**

- Canadians who undertook eligible renovations to their homes before February 1, 2010 were entitled to receive up to \$1,350 in tax relief from the temporary Home Renovation Tax Credit introduced last year in Canada's Economic Action Plan. An estimated 4.6 million families in Canada will claim the credit on their 2009 tax returns.
- Canada's Economic Action Plan has provided additional tax support to first-time home buyers, who benefit from greater access to their Registered Retirement

Savings Plan savings to purchase or build a home, as well as up to \$750 in tax relief from the First-Time Home Buyers' Tax Credit.

- Homeowners have also benefited from the enhanced ecoENERGY Retrofit – Homes program to make energy efficiency improvements to their homes. The additional 300 million provided through the Economic Action Plan is expected to support an estimated 200,000 home retrofits.
- Through Canada's Economic Action Plan, federal commitments of more than \$1 billion in 2009–10 have helped Canadian families find suitable and affordable housing, while putting Canadians back to work.
- In 2009–10, \$650 million of this investment is being matched by provincial and territorial governments, which are responsible for program design and delivery. As a result of this joint investment in social housing, in 2009–10 over 2,400 construction and renovation projects are underway across the country in support of some of the most vulnerable in our communities, including seniors, single-parent families, recent immigrants and Aboriginal Canadians living off reserve.
- The Government of Canada has also committed \$75 million in 2009–10 to renovate and retrofit federally administered social housing. Over 700 projects are currently underway.
- In addition, in 2009–10, \$300 million has already been committed through the Economic Action Plan in support of housing in over 400 First Nations communities and in the North.

### **Improving Access to Financing and Strengthening Canada's Financial Sector**

- The Canadian financial system withstood the global financial crisis better than most. The global crisis, however, made it difficult for Canadian banks and other lenders to obtain funds from international markets at reasonable costs. To soften the impact of this crisis, Canada's Economic Action Plan included measures to provide up to \$200 billion to support lending to Canadian households and businesses through the Extraordinary Financing Framework.
- The Extraordinary Financing Framework measures, most of which are ending as credit conditions improve, included: the Insured Mortgage Purchase Program; a new 10-year maturity in the ongoing Canada Mortgage Bond program; the Canadian Secured Credit Facility; support for the Bank of Canada's emergency liquidity measures; increased flexibilities and capacities for financial Crown corporations, including the introduction of the Business Credit Availability Program; and assurance facilities for banks and insurance companies. All of this support has been offered on a commercial basis to protect taxpayers.
- In Canada, total credit growth has shown signs of stabilizing. Overall, total credit growth in Canada remained stronger than in the U.S. through the third quarter due to significantly stronger Canadian household growth.
- The Business Credit Availability Program is continuing to help businesses find financing solutions to preserve jobs and fund growth. As of the end of January, Export Development Canada and the Business Development Bank of Canada reported total activity under the Business Credit Availability Program of about \$5 billion, assisting almost 9,000 businesses. This achieves the target of at least \$5 billion that was set out in Budget 2009.
- The Insured Mortgage Purchase Program will continue to make purchases of qualifying insured mortgages until the end of March 2010. This program has been successful in moderating the impact of the global financial crisis on credit conditions in Canada by providing funds to

financial institutions that were then able to continue lending to businesses and consumers. To date, over \$60 billion of term funding has been provided to banks and other lenders at a positive spread to the Government's funding costs.

## **Creating the Economy of Tomorrow**

- Twenty Knowledge Infrastructure Program projects have already been completed, and planning, design, construction and renovation work has begun on a further 361 projects at colleges and universities across Canada. These projects represent over \$1.8 billion in Knowledge Infrastructure Program funding, accounting for over 90 per cent of the total program budget.
- Through Budget 2009, the Government committed to provide the Canada Foundation for Innovation (CFI) with additional funding of \$750 million to accelerate investment in state-of-the-art research facilities and equipment. Of the funding announced in Budget 2009, the CFI has already committed \$150 million to 28 exceptional projects through its 2009 competition.
- The Government has allocated almost \$250 million to upgrade and modernize federal laboratories doing research in a wide array of fields, from health and food to natural resources, after several years in which maintenance had been delayed or deferred. Construction has begun or has been completed for over 95 per cent of projects at 14 federal departments and agencies.
- The Economic Action Plan established the \$1-billion Clean Energy Fund, including up to \$150 million for clean energy research and development and \$850 million for clean energy demonstration projects. To date, federal funding totaling over \$610 million has been announced for specific projects under the fund.
- In addition, in response to unprecedented demand under the ecoENERGY Retrofit – Homes program, \$205 million under the Clean Energy Fund has been allocated to finance up to 120,000 additional retrofits for Canadian homeowners.

## **Supporting Industries and Communities**

- The Government is continuing to deliver support to vulnerable communities through initiatives such as the \$1-billion Community Adjustment Fund. Approximately 80 per cent of the money available under the fund over two years has been committed and over 1,000 Community Adjustment Fund projects are now underway or completed.
- Of the \$206 million available to the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) in 2009–10, \$187 million has been committed to strategic investments to support job creation and economic growth in the region.
- The global economic downturn and the collapse in the U.S. housing market have created challenges for the forestry sector. Under the Economic Action Plan, Natural Resources Canada has fully committed \$170 million allocated over two years.
- The Government has announced the creation of a \$1-billion program to support environmental improvements for the pulp and paper industry. The Pulp and Paper Green Transformation Program will allow pulp and paper mills in all regions, particularly focused in British Columbia, Quebec and Ontario, to reduce greenhouse gas emissions while helping them become leaders in the production of renewable energy from biomass.

- The Government has provided support for 60 marquee festivals and events across Canada, such as the Royal Nova Scotia International Tattoo, the Montreal High Lights Festival, the Kitchener-Waterloo Oktoberfest, the Saskatoon Exhibition, and the Festival du Bois in Maillardville, Coquitlam, in order to attract visitors and create jobs in the tourism sector.
- The Government continues to receive and evaluate new industry and provincial/territorial proposals to add to those already in place under the multi-year Agricultural Flexibility Fund. To date, \$219 million has been committed to multi-year initiatives. A total of \$10 million is expected to be spent in 2009–10, and to date \$52 million has been committed to be spent in 2010–11.
- The Economic Action Plan committed \$200 million over two years to the Industrial Research Assistance Program to enable it to temporarily expand its initiatives for small and medium-sized enterprises. The National Research Council has committed the entire \$100 million allocated in 2009–10 to help firms innovate and to hire new post-secondary graduates. In total, this funding has provided contributions to 1,200 small and medium-sized enterprises, helping maintain or create over 4,500 jobs, and has helped 460 post-secondary graduates find employment and gain invaluable experience.
- The Economic Action Plan has provided \$175 million to the Canadian Coast Guard to purchase 98 new boats and to repair and refit 40 existing large vessels.
- In 2009-10, the Canada Cultural Spaces Fund committed \$27 million of a total of \$30 million in cultural infrastructure funding and committed \$24 million of the 2010–11 allocation of \$30 million, supporting 96 cultural infrastructure projects across Canada.

Canada's Economic Action Plan and its reports to Parliament are receiving wide support from Canadians and Canadian businesses. Please visit <http://www.actionplan.gc.ca/eng/feature.asp?featureId=21> for examples of support heard from across Canada for the Economic Action Plan and its reports.

### **Conclusion**

The Conservative Government has responded to the global economic recession in a timely, measured and effective manner. The Government has cut red tape. It has funded an unprecedented number of projects and it has improved water, sewer, roads and buildings across the country.

The Government Reports to Parliament on the Economic Action Plan continue to highlight the economic recovery. The fifth report to Parliament is included as an annex in this dissenting opinion.

### **Recommendations**

1. The committee recognizes the incredible work that has been and continues to be done through Canada's Economic Action Plan to stimulate and help the Canadian economy build and recover from the global recession; and it recommends that the Government continue to implement its second year of Canada's Economic Action Plan.
2. The Government of Canada should continue its promotion of the measures available to Canadians and Canadian businesses both to ensure that they are aware of the opportunities available to them and to rebuild confidence in the Canadian economy.
3. That the Standing committee on Government Operations and Estimates accept the quarterly reports to Parliament on the Economic Action Plan and include the information contained therein in future committee reports on the Economic Stimulus Package.

