



HOTEL ASSOCIATION OF CANADA
ASSOCIATION DES HÔTELS DU CANADA

From the Desk of the President

March 22, 2011

Today Finance Minister Jim Flaherty presented the Federal Budget for the next fiscal year beginning April 1, in a politically charged environment that could see an election call by the end of the week. The object was to deliver a budget that guides Canada through rocky economic times while also serving as an election platform. The intended goal was to transition the Harper Government from a big-spending, deficits be darned warrior against recession to a disciplined administration focused above all else on bringing the Federal books into balance.

One of the most important numbers in today's budget is the Federal deficit; now pegged at approximately 25 percent less than 2009-2010. The Government is expected to record a surplus of \$4.2 billion by 2015-2016.

The budget today is hostage to an even bigger story; the backdrop of a potential election in a high stakes poker game where the Liberals could use their Opposition Day in Parliament (March 25 or March 28) to try to bring down the Government on a Confidence Motion regarding Contempt of Parliament - rather than the Budget.

The fate of the Harper Government is in Jack Layton's hands.

The Budget did include NDP friendly spending of \$400 million to restart the EcoEnergy Retrofit program, funding for rural health care for Doctors and Nurses to offset student loans and \$300 million help for seniors to augment the Guaranteed Income Supplement and Old Age Security Program.

The Conservatives need Mr. Layton's support to stay in Office. Liberals need NDP votes to bring down the Harper Government.

The Bloc had requested \$2.2 Billion for Quebec for HST harmonization. This was not in the Budget but could well become a Conservative promise if an election is called.

Budget by the numbers:

- Deficit for 2011-12: \$29.6 billion
- Federal debt in 2011-12: \$586 billion
- Amount debt increased from last year: \$30 billion
- Federal debt as a percentage of GDP: 34.4%
- Budgetary revenues in 2011-12: \$249.1 billion.

Special interest to the hotel industry and tourism are:

- Permanent annual investment of \$2 billion for Municipal Infrastructure
- \$25 million for Toronto's Harbourfront Center
- \$5 million for the Grey Cup and \$5 million for the Calgary Stampede
- \$5.5 million for Parks Canada designated for the Mealy Nature Park in Labrador
- \$21 million over 5 years to upgrade baggage scanning at Canadian Airports
- \$150 million over 5 years to complete the Dempster Highway
- Development of the Peterborough-Toronto Rail Service
- \$228 million over 3 years for Montreal bridges.

The Federal Budget is available on the internet at [www. fin.gc.ca](http://www.fin.gc.ca)

Sincerely,



Anthony P. Pollard
President