



Dear Editor:

There is no doubt in anyone's mind that these are challenging times. While under a metric-ton of economical and political pressure, the federal government released its much-anticipated budget which proposes a wide variety of spending measures and tax relief to address our economic crisis. Never before has a budget been so broad-based in an effort to have impact on so many. Canadians will experience the first budget deficit in 13 years projected to assume \$84B of red ink over the next 48 months. I believe thinking Canada will be in a surplus position in the next 4 to 6 years is terribly ambitious, if not unreasonable. This turn-around will take a long time. Governmental experts suggest the early indicators for the turnaround could present themselves as early as July. I hope, for the sake of everyone, they are correct.

As to how the budget pertains to Chatham-Kent, the Federal personal income tax bracket thresholds was adjusted to help those who need it most which will give the most disposable benefit to those with a gross pay of \$37,000 or less. It is a concern that nothing public for Windsor/Detroit had been released as infrastructure is to receive \$12B for bridges - both Sarnia and Fort Erie border crossings were named specifically. An injection of \$407M for Via Rail including an injection into High Speed Rail although the region not identified at time of print, could assist our Municipality. With \$1B introduced for "Southern Ontario Economic Development" Chatham-Kent could benefit. From the \$1B labeled, the Community Adjustment Fund benefits communities who prove themselves deserving as they attain this grant to "embrace an emerging industry" which our interest in bio-friendly fuels should more than deserve the attention.

With an anticipated broad based reduction of about \$2B in taxes re it will be interesting to see how any "new" disposable income is managed by the public. The government's hope is that the money will be injected into the economy. However, one would expect many people will use any new money to mitigate debt incurred since the recession was unofficially recognized as beginning in the 3rd quarter of 2007. Even with this in mind Canada, as a nation, is in very good financial shape when compared to our G20 counterparts.

As members of the Canadian Chamber of Commerce we encouraged our members to participate in a quick turnaround, post budget poll conducted by the Canadian Chamber. The results of the survey revealed that the federal budget unveiled this Tuesday failed to overwhelmingly sway business leaders. While business leaders want to be optimistic about the future, they will await tangible results before giving a definite thumbs up to this budget. Respondents also remained unconvinced that the measures announced in the budget would help their business.

Our provincial associate, the Ontario Chamber of Commerce is also making great effort for tax savings for business. With little room for tax cuts right now other options must be investigated. Their report *Made in Ontario, The case for sales tax harmonization* illustrates three potential options for the harmonization of Ontario's sales tax with the GST. 1) a simple harmonization 2) a Made-in-Ontario alternative A which includes exemptions and 3) also a Made-in-Ontario alternative B which zero-rates financial services from the Ontario portion. All three options build in an Ontario sales tax credit for low income Ontarians. In addition, the alternative models

provide opportunities for government to advance such things as a poverty agenda, incentives for green technology, and support for municipalities in terms of their burgeoning infrastructure deficit. The full report can be viewed at www.occ.on.ca.

With the uncertainties in our economic climate, it is important to know that the Voice of Business, at all levels, is working with government and business to see through these hardships.

Brent DeNure, Chair
Chatham-Kent Chamber of Commerce