



**MEDIA RELEASE
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February 26, 2008

Federal Budget - A Prudent Plan in the Face of Economic Uncertainty

(Calgary, AB) – The Calgary Chamber of Commerce views the federal budget released today as a prudent and sensible plan that positions Canada to adjust to the risk of a slowing global economy.

“The Calgary business community welcomes the federal government’s commitment to spending restraint and debt repayment,” says Brian Hahn, Chair of the Calgary Chamber of Commerce Board of Directors. “In these uncertain times, spending responsibly is a solid fiscal strategy.”

First, the Chamber is pleased that many of its pre-budget recommendations are contained in today’s announcement. In an effort to position Canada as ‘the’ destination for investment and skilled workers, the Chamber has previously suggested:

- Fiscal responsibility by adhering to a “smart spending bandwidth” delimited by population growth and inflation, and real growth in the economy;
- Commitment to debt repayment; and
- Improvements to corporate and personal tax competitiveness.

Second, the Chamber is heartened to see the federal government’s support of carbon capture and storage technology.

“The funding announced is an important indication of federal and provincial alignment to reduce greenhouse gases,” says Hahn.

Investment in public transit and making the Gas Tax Fund permanent are also critical to the business community. Transportation infrastructure is a top priority of Chamber membership. “Infrastructure underpins economic growth,” says Hahn. “In Alberta, a one per cent increase in the stock of municipal infrastructure leads to a 2.4 per cent increase in provincial GDP.”

Fourth, the Chamber was seeking changes to federal retirement programs to encourage older workers to remain in the labour force. It has long advocated expanding the age range at which people can access their CPP benefits to age 75, eliminating the Old Age Security clawback, and increasing the deadline that RRSPs are converted to RRIFs from 72 to 75.

These federal retirement program amendments could increase the national labour supply by 767,000 or nearly four per cent, and generate over \$24 billion in government tax revenues and pension savings.

For Alberta, these changes have the potential to encourage 80,000 additional older Albertans to remain in the labour force right now.



However, the Chamber does view the Tax-Free Savings Account as a positive announcement that will encourage greater savings and investment.

Finally, as present economic uncertainty fades, the Chamber urges the government to be bolder with personal income tax cuts by bringing personal tax revenues, as a percentage of GDP, below the OECD average by 2012. Important steps in this direction include reductions in each of the three highest tax brackets (22, 26, and 29 per cent) and an increase in the basic personal exemption.

“Overall, the 2008 Federal Budget is clearly good for Calgary’s business community as it addresses the top five priorities of Chamber members,” concludes Hahn.

About The Chamber:

The Calgary Chamber of Commerce is a volunteer driven, not-for-profit, and non-partisan advocacy group whose mission is to lead and serve the Calgary business community, valuing its diversity.

On critical and emerging issues in public policy, the Chamber acts as the leading forum for debate, and advocates public policy solutions that improve the business climate on behalf of our members.

The Chamber’s Top Five 2008 Business Issues

1. Labour shortage
2. Transportation infrastructure
3. Taxes (federal, provincial, municipal)
4. Economic health and diversification
5. Environment (land use, water, climate change)

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