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PRIME MINISTER'S MEDIA AVAILABILITY AT FIRST
MINISTERS' MEETING

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TR. HON. STEPHEN HARPER (Premier ministre du Canada): Bon après-midi tout le monde. Nous venons de finir une réunion productive avec les premiers ministres des provinces et des territoires sur l'économie, et le contenu possible du budget fédéral. Nous avons discuté des mesures pour renforcer notre économie, pour aider les travailleurs et les personnes sans emplois, et aussi pour faire des investissements dans l'infrastructure. Je comprends que...je crois que tous les premiers ministres comprennent les grands dangers de la situation économique mondiale, et la nécessité de travailler ensemble sur des dossiers où on est d'accord. Nous avons, comme j'ai mentionné à plusieurs reprises ici et ailleurs, nous avons eu une collaboration sans précédente au palier international pendant les grands pays industrialisés, et c'est important que nous démontrons la même volonté ici, et je pense que tous les premiers ministres des provinces, des territoires le comprennent.

Once again, provincial and territorial Premiers and myself just concluded what I thought was a very productive meeting. We discussed ways that we can strengthen our economy, make investments to assist workers and the unemployed, and also to make investments in infrastructure, and obviously all of these things in the context of dealing with the world economy, the troubled world economy and the effects, the real effects that that is having and will have on Canada, Canadian business and Canadian workers. I think all of the Premiers understand that we are in a very dangerous time for the world economy, one that requires unprecedented collaboration. I mentioned to them and to others on many occasions how impressed I've been, or the impression that's been made on my by the unprecedented collaboration we're seeing at the

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international level to deal with that, and I think it's critical that we make the same efforts in Canada, and certainly that was the focus of all of the Premiers' participation today. So with that, I'll just take a couple of questions, and I know they will all give their own takes as well.

DIMITRI SOUDAS (Press Secretary to the Prime Minister): We'll start with David Akin, CanWest.

REPORTER: Hi Prime Minister, happy New Year.

RT. HON. STEPHEN HARPER: Same to you.

REPORTER: I'd just like to ask, you're going to sit down next week with your people and talk about what's going to be in the budget, and obviously you have to address the problem, which is a temporary problem, this fiscal crisis. I wonder if you can give us your thinking, then, on the measures you're going to put in the budget, both on the spending side and on the revenue, tax side, whether they too will be measures that would be temporary; in that sense they would die naturally as our economy improved again. So that's one part, and then perhaps you could just touch on today, what areas of consensus you saw with the Premiers on issues of, say, infrastructure spending, employment insurance reform and on the revenue side on taxes.

RT. HON. STEPHEN HARPER: Ok. On the nature of the measures we're bringing forward, I've been very clear about this. I think the Premiers all hold a very similar position, and that is that because of the, you know, unprecedented nature of the economic challenge that is facing us, it is up to governments now to come forward, to make significant investments, to make sure that we sustain economic activity and confidence in Canada. That will involve at the federal level, as many of you know, that will involve very significant deficits in the short term, and the reason we will be incurring those

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is because we are going out and borrowing money that is not being used and putting it to work in the economy. We are in a situation where we know there's money out there. We know that money is sitting on the sidelines. Businesses are afraid to invest because of the uncertainty in the world economy and in the domestic economy. Households in many cases are afraid to spend because they're very uncertain about the future. Bondholders and others are also afraid to invest in financial instruments because they fear capital losses. This is a time for the government to come forward, to borrow that money at what are very low interest rates, very low interest rates, and make sure that money is put to work in the economy. What we will be attempting to do when we do this, what we will be committed to do is to take that money, get it into the economy now, directly into the economy as quickly as we can so that it employs people, sustains jobs and investment, but...and also, quite frankly, in most of the cases that money will also, we hope, build and do a lot of things that would be good for the future, but at the same time, do so in a time-limited way, because we do not want to go into a long-term, permanent deficit in this country, so those measures, spending measures in particular, will have to be time-limited, and that's what we will try to do, and I think the provinces will be finding themselves in exactly the same boat. We're fortunate in that we have a very strong fiscal position in this country that will enable us to do this, and as long as we stick to our determination to keep these measures temporary and to come out of them when the economy recovers, we should find that our fiscal position is actually at the end of this relatively stronger compared to other countries, because other countries are seeing a very rapid, have already seen in many cases, a very rapid deterioration in their balance sheets that we've not seen. In terms of agreement with the provinces

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and territories, I'd just ask you to look at the statement that we're circulating. Most of the discussion was on a few measures to assist the economy and particular issues like availability of credit, but also specifically on potential labour market measures and potential infrastructure measures, and as I said to all the Premiers as well as the aboriginal leaders, there was quite a smorgasbord of options on the table. Even with very large spending plans, we can't do all of them, but I think there were some pretty broad agreements on the kind of things we can be doing, the kind of things we can be doing now that will be effective soon or immediately and that will also pay some dividends down the road.

DIMITRI SOUDAS: On va continuer avec Yvan Cloutier, Radio-Canada.

JOURNALISTE: (Inaudible) vous avez, dans vos déclarations des dernières semaines, vous et votre ministre des Finances, vous avez laissé entendre que vous vouliez privilégier des réductions d'impôts, donc réduire les impôts de la classe moyenne. Dans toutes les déclarations qu'on a entendues de la part de vos homologues des provinces hier, il y en a peut-être un seul qui a dit être d'accord avec vous là-dessus. Tous les autres disent que plutôt que de réduire les impôts, c'est le temps par exemple d'améliorer le programme d'assurance-emploi, d'améliorer les mesures pour la formation. J'aimerais savoir si dans vos discussions d'aujourd'hui, c'est vous qui avez été capable de les convaincre, ou est-ce que c'est eux qui vous ont convaincu? Au sujet des réductions d'impôts.

TR. HON. STEPHEN HARPER: Je peux dire qu'il n'y a pas beaucoup de discussion aujourd'hui sur des taxes et des impôts. Évidemment aucune province veut voir une augmentation des taxes et des

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impôts dans une telle période. Je me rappelle d'un premier ministre qui a mentionné son appui pour des réductions des taxes et des impôts, mais en général nous discutons d'infrastructure et l'aide pour des...des travailleurs et des personnes sans emplois. Je peux mentionner que j'ai dit seulement que ce gouvernement examine toutes les options, pas seulement les options de dépense, mais aussi les options de réduction des taxes et des impôts. C'est essentiel que dans toutes nos options, qu'on a un impact immédiat ou une bénéfice à long terme, et ce n'est pas facile de déterminer exactement ce qui est...exactement tout ce qu'on devrait faire, mais on examine toutes les options. Je vous rappelle que c'était Monsieur Ignatieff il y a moins de deux semaines qui a demandé des réductions des taxes et des impôts pour la classe moyenne. Moi, je pense que c'est essentiel que la classe moyenne fait partie d'une initiative de stimulus économique. Évidemment nous examinons, nous sommes en train d'examiner plusieurs possibilités, mais c'est essentiel que la classe moyenne participe, pas seulement parce que la classe moyenne paie la grande majorité des factures, mais aussi parce que si on veut stimuler l'économie, c'est n'est pas possible de stimuler l'économie sans une bénéfice pour la classe moyenne, qui est la base de notre consommation et de notre activité économique. Alors on va avoir – je peux vous assurer que ce gouvernement va avoir un plan de stimulus équilibré.

And maybe I'll just, if you don't mind, repeat some of that in English. There wasn't extensive discussion at the meetings about tax reduction, although I do recall one Premier being very vocal about the fact that tax reduction is beneficial for the economy, not just now but into the future. It's important to have competitive tax rates. We're looking at all options. We're looking at all options. I don't...you know, I myself haven't been very

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detailed about what we will and will not do. I've said we're looking at tax reductions as well as obviously many spending initiatives. There will be a very significant spending package in our budget. We're looking at tax options as well. These things have to be either short-term impact and/or long-term benefit, and that's what the kind of options we will be examining. I would remind you that it was Mr. Ignatieff who called for middle class tax cuts less than two weeks ago. We're listening, not just to what he but what many others say, but it is important, whether it's tax cuts or spending initiatives or whatever, it's important that the middle class of this country be part of an economic stimulus plan. You can't have...you can't hope to provide the kind of stimulus our economy needs without having impacts and benefits for the middle class. Now that's not just because the middle class pays most of the freight, but the middle class is the basis of our economy and of our consumption and of our workforce. And if they don't benefit, I don't think a stimulus package would be as effective as it could be. So there have to be a balanced package. That's what we will have.

DIMITRI SOUDAS: Continue with Keith Boag, CBC.

REPORTER: Prime Minister, when you decided to prorogue in December, I think all of our understanding was that you were hoping that the time would be used to calm things down and add some stability to what seemed to be a pretty unstable political situation. Today you're launching...your party's launching attack ads against the coalition. Is that an indication in any way that your political assessment over the past few months has been...over the past few weeks has been that nothing has changed? Or do you see the political landscape differently, and in what ways, what important ways do you think it will be different when we come back in ten days? And if

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you would be so kind, as you just were, to repeat your answer in French for my colleagues.

RT. HON. STEPHEN HARPER: Well, first of all, I don't share the view that we're running attack ads. The coalition has been running pro-coalition ads all through the last few weeks. I think it's important we have some response ads and I think those response had simply expressed the concerns that most Canadians have shown in public opinion polls, and that is that they want governments to get on with dealing with the economy and not playing political games to overturn election results. And so you know, I think that's what we're trying to do here.

DIMITRI SOUDAS: Dernière question, ça va être avec Yves Malo, TVA. (Inaudible)

JOURNALISTE: Monsieur Harper, plusieurs provinces dont le Québec dénoncent la nouvelle formule de péréquation. Que répondez-vous à ceux qui disent que c'est une vengeance contre le Québec entre autres, et que vous avez caché au gouvernement Charest la nouvelle formule de péréquation?

TR. HON. STEPHEN HARPER: Au contraire, c'est le cas que le ministre des Finances a annoncé cette nouvelle formule presque deux mois maintenant, et comme vous pouvez rappeler, la ministre des Finances du Québec a indiqué, indiqué son appui à ce temps-là. Mais la position du gouvernement du Canada est claire: la péréquation est très importante. Je sais que les provinces ont des positions différentes sur cette question, mais la grande, la grande, grande majorité des discussions aujourd'hui étaient sur des questions où des provinces et le fédéral ont une...ont la même position pour renforcer l'économie. La position du fédéral sur la péréquation est claire: la

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péréquation est un transfert très important pour le Canada et pour les provinces, et nous allons assurer que ces paiements de péréquation vont augmenter même pendant une période économique comme la période actuelle, et ils vont accroître avec les autres transferts aux provinces, les transferts pour les programmes sociaux et pour la santé. C'est important que ces programmes accroître et que ces programmes...et que ces programmes grandissent avec la...avec la croissance de l'économie. On doit avoir une équilibre et nous allons faire ça, et comme j'ai répété, nous n'avons qu'une intention de couper d'une façon absolue les transferts aux provinces. Ce sont...c'est ce que les anciens gouvernements ont fait pendant les périodes de récession. Ce gouvernement s'est engagé à assurer que...d'assurer que ces transferts augmentent, et peut-être ils n'augmentent pas assez vite pour certaines provinces, mais ils vont augmenter de façon importante. Nous avons des records. Nous avons des transferts au des niveaux records, et ça va continuer.

DIMITRI SOUDAS: The Premier of British Columbia will be up next, so thank you very much, Prime Minister. Merci beaucoup tout le monde.

RT. HON. STEPHEN HARPER: Great, thanks everyone.

DIMITRI SOUDAS: Merci beaucoup. Thank you.

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