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**PRIME MINISTER'S ANNOUNCEMENT AND MEDIA
AVAILABILITY IN TORONTO**

RT. HON. STEPHEN HARPER (Prime Minister of Canada): I'll use the one on the right, Dalton. Bonjour mesdames et messieurs. Good morning ladies and gentlemen. Greetings to Premier McGuinty and also to Judy Night and Greg Percy, who are here representing GO Transit. We appreciate GO allowing us to use their facilities today.

You hear a couple of sayings quoted everywhere these days. The first is "may you live in interesting times". We certainly do live in interesting times, perhaps a little too interesting, what with the worst economic crisis the world has experienced in many generations. But the other saying you hear from time to time, or variants over it, and I think, Premier, you said this to me first, was "a crisis is a terrible thing to waste". For Canada, the crisis does represent an extraordinary opportunity to invest in today's needs and, in the process, to prepare our country for renewed growth and greater prosperity when the recovery comes, as it inevitably will.

Le plan d'action économique de notre gouvernement est adapté pour tirer profit de cette crise. En particulier, notre plan prévoit des mesures à court terme pour faire des investissements à long terme, des investissements en éducation et en recherche, dans des secteurs traditionnels et de point, et bien sûr, des investissements importants en infrastructure, de la

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rénovation domiciliaire la plus mineure aux projets nationaux majeurs. L'annonce d'aujourd'hui est un exemple de l'utilisation des besoins à court terme pour atteindre des objectifs à long terme.

Our government's economic action plan has been adapted to take advantage of the crisis. In particular by using short-term actions to make long-term investments in everything from education and research to strategies in traditional and cutting edge sectors, and of course, to infrastructure, from the smallest household renovations to major national projects. Today's announcement is an example of using short-term needs to address long-term goals. Southern Ontario and the GTA have been hit hard by the slowdown, but it is still a bastion of our national economy, and will remain so when the recovery takes hold. That's why it is critical to keep the economy of this region thriving, to keep people working, and to keep them moving. Every day, over 200 000 commuters rely on the GO Transit system to get to work and to get home to their families. The system is essential to the economy and to the people who depend on it.

J'ai le plaisir d'annoncer aujourd'hui que notre gouvernement agit en partenariat avec le gouvernement de l'Ontario afin d'améliorer et de revitaliser l'infrastructure de GO Transit.

So today I'm pleased to announce that our government is acting in partnership with the government of Ontario to upgrade and revitalize GO Transit infrastructure. More than a dozen separate projects will be covered under this initiative. They will provide jobs for construction workers throughout the region, and they will help the GO system handle the huge increases in ridership that are projected throughout the Golden Horseshoe during the next decade. I'll leave the details to Premier McGuinty, but I want

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to make it clear that today's announcement is not just about GO system upgrades or the jobs that go with it. It is about where we are headed as a country.

Alors que le monde combat les effets de la récession mondiale, nous les Canadiens regardons vers l'avenir. Au cours des prochaines semaines, notre gouvernement va annoncer d'autres initiatives prévues dans notre plan d'action économique, visant toutes à créer des emplois et à stimuler l'activité économique dans des communautés partout au pays.

As the world struggles with the effects of the global recession, we as Canadians are looking ahead. In the weeks to come, our government will be announcing more initiatives under our economic action plan, all designed to create jobs and boost economic activity in communities across the country. By looking forward today and investing in key infrastructure like public transit, our government is seizing the opportunities that will get us through these tough times and ensure Canada emerges stronger than ever. Merci beaucoup, thank you, and I will turn it over to Premier McGuinty to give us some more of the details.

DALTON MCGUINTY (Premier of Ontario): (Speech)

DIMITRI SOUDAS (Press Secretary to the Prime Minister): So we'll proceed to taking a few questions. We'll start with Scott Laurie, CTV. There's a boom, there's a microphone right over here in the front, everybody, so... Scott? Right over there in the back, please.

RT. HON. STEPHEN HARPER: Having trouble finding him here.

DIMITRI SOUDAS: Ok, if we can...there we go.

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REPORTER: This does not have to do with your announcement today, apologies for that, but GM and the other auto companies are coming up with their restructuring plans. If they come to you and ask for more money, are you prepared to meet their demands?

RT. HON. STEPHEN HARPER: Well, first of all, let me just say we are anticipating that there would be greater loans involved in a longer-term restructuring. As you know, when Premier McGuinty and I made our announcement in December, that was for a short-term financing package to deal with immediate cash concerns. In fact, I believe General Motors didn't actually avail itself in the end of that, but did indicate to us it will be looking for money as part of a long-term restructuring package, but obviously both of our governments, in collaboration with our partners in the United States, will be taking a very careful look at these restructuring plans before making final commitments. We obviously want to be helpful. We want to make sure we maintain a strong auto industry, but we're going to look over everything very, very carefully.

DIMITRI SOUDAS: Nous allons continuer avec Louis Lessard, Radio-Canada télé. Just if everybody can position in the centre for the questions to be heard.

JOURNALISTE: Bonjour, une question pour Monsieur Harper en français, s'il vous plaît, sur le secteur de l'automobile également. Quelle est la marge du Canada, quel est le pouvoir véritable du Canada pour aider les travailleurs de l'automobile chez GM?

TR. HON. STEPHEN HARPER: Premièrement, comme le Premier ministre McGuinty et moi-même avons annoncé en décembre, nous avons l'intention de participer dans la restructuration de cette industrie en

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collaboration avec le gouvernement des États-Unis. Nous donnerons notre pourcentage, notre 20 pour cent de l'industrie pour assurer la présence à l'avenir de cette industrie, d'une industrie forte au Canada. Évidemment c'est une situation très complexe. Nous avons dans le budget des mesures pas seulement pour aider l'industrie d'automobile, mais pour stimuler l'activité économique en générale, qui est essentielle pour la relance de cette industrie. Alors nous avons des politiques générales, mais aussi nous serons en discussion avec les compagnies pour déterminer leurs besoins et nos besoins pour la restructuration plus générale.

DIMITRI SOUDAS: Continue with Peter (inaudible), National Post.

REPORTER: Congratulations on your support for transit, Mr. Harper. I just wanted to ask the government, the municipal government has eight to ten billion dollar plan for light rail in Toronto. I think you said that 200 000 people take GO everyday. I think it's 1.5 million in Toronto who ride the TTC everyday, and the mayor has mentioned that he's feeling a little ignored in terms of his own shovel-ready project, which is a light rail network across Toronto. I'm just wondering if you have any plans to support that?

RT. HON. STEPHEN HARPER: Well, as you know, we already have previous to this budget in place, you know, significant funds to invest in infrastructure across the country, and obviously in the budget we increased those funds with the primary objective of stimulating projects that will be actually under construction within the next two years. I would note that, you know, virtually all the mayors of the region, with the possible exception of the mayor you mentioned, received our announcements very positively, but obviously in terms of actual priorities, we're in negotiation with

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the government of Ontario to determine what priorities will be for federal funding.

DIMITRI SOUDAS: We'll continue with Sean Mallen, Global.

REPORTER: Prime Minister, it appears that one of the options for GM is declaring bankruptcy. I wonder what you think the implications would be of that for the Canadian industry. I wonder if there's a concern on your part that given that and given their decision to not take any of the loan money so far, whether there's a fear they're going to pull out of Canada entirely, and related to that, Mr. Obama's press secretary made comments yesterday about supporting the American auto industry, cars for Americans. Is there a concern that there might be in effect a "buy American" element to any auto bailout that the President's going to come up with?

RT. HON. STEPHEN HARPER: Well, first of all, no, I'm not concerned about General Motors moving out of Canada. We've had good discussions with the company. Obviously, you know, there's a range of options, and the restructuring itself will be extremely complex, but I'm confident that with Canada, with the partnership, with Ontario coming to the table with our share of funding, that we will maintain a strong industry in this country. That's not to say – you know, we have to be frank, here – not to say there will not be job losses, because we know there are some very tough decisions to be made. But I'm confident with our participation in the restructuring that we will maintain our share of this industry in North America. I don't interpret the comments of the Americans as protectionist. I think they're simply asserting what we are also asserting, which is that we're involved in this to ensure that we maintain a strong automobile industry in this

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country, strong employment in this country, a strong parts sector in this country, strong dealerships in this country, and ultimately, we're doing that... we're doing that in an industry that is fully integrated on a continental basis.

DIMITRI SOUDAS: Continue with Jillian Rudell, CBC.

REPORTER: Prime Minister, with President Obama signing his country's fiscal stimulus package today in Denver, what are the remaining issues Canada still has with that package in regarding protectionism and at the state and municipal level, that you'll be raising with the President during his visit on Thursday?

RT. HON. STEPHEN HARPER: Well, there were significant changes to the "buy American" provisions during the congressional process. Essentially an amendment asserting that the US will respect all of its international obligations in the implementation of those provisions, and obviously as we work with the administration, we will be watching the implementation very closely to ensure that that is in fact the case. Now, you should know that some national procurement, not just for the United States, but some national procurement from Canada is largely omitted from these trade obligations. So that's not just the case in the United States. It's the case in Canada as well. You know, as I've said in the past, we expect the United States to respect its obligations, as will we, but obviously we think it's very important for governments wherever possible to signal that they will move in the direction of opening up trade rather than in the direction of protectionism. For example, in the budget we just tabled, we have provisions to remove duties on imported machinery and equipment to Canada, because we believe that's a good measure to open trade, and frankly, will benefit not just importers, but will benefit the Canadian economy as well. So we're going to

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do everything we can to continue to push the United States and others in the direction of maintaining or expanding open trade, and you know, the statements of the president and his administration on these matters have been very encouraging.

DIMITRI SOUDAS: And one last question, (Inaudible) from Reuters.

REPORTER: Good morning. The G7 finance ministers just said the severe downturn is expected to persist through most of 2009. Do you see any possibility of a recovery in the second half of the year in Canada, or will things deteriorate most of this year?

RT. HON. STEPHEN HARPER: Look, we're in an environment where it is extremely difficult to make predictions. We have been, as I think I've told you before, consulting economic forecasters monthly. Those forecasts have changed monthly, changed dramatically monthly, and we have never seen such a range of forecasts from the various economists that we've been consulting. Truth is, we don't know. The budget that we tabled, the economic action plan, the size of it, the size of the stimulus measures we're undertaking are based on an assumption, to be frank, that the economy will get worse during 2009. We are not, you know, going into deficit \$34 billion this year because we think the economy is going to stay just the way it is. We're doing that on the...on the anticipation that we're going to face continued challenge in economic news this year. Beyond that I won't speculate, other than to say what I've said before, is that Canada remains relative terms very well positioned. We have a strong financial sector. We do not have the financial sector problems that are at the root of this recession in most major countries. Our housing sector, although it is slowing, does not have the

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structural problems that they have in the United States. Our governments, although we are all going into short-term deficits, have strong long-term balance sheets. Our debt-GDP ratios are the lowest in the G7. They are going to remain the lowest in the G7 by a long shot, so we have a, you know, a strong, educated, adaptable workforce. Ontario, ourselves, other provinces are using our balance sheets. We're using the opportunities we have right now with the slowing economy, with low interest rates to borrow money, to make long-term investments that are going to make...that are going to make us very strong when the recovery takes hold, so look, I expect a tough year, but I think we will come out of this in due course. We will come out of it in a very strong relative position. Other countries will be...even after this recession will be struggling with some of the financial impacts of this for years to come. We will come out of this in a very good position if we spend this money right, as the Premier and I are doing today.

DIMITRI SOUDAS: Thank you very much, everybody.

Merci beaucoup.

TR. HON. STEPHEN HARPER: Merci tout le monde.

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