

## local news

### ▼ MP'S REPORT

# Prudence needed for deficit spending

**A**s a fiscal conservative, the necessity of deficit is hard to swallow.

Since the 2006 election our government has worked hard to rein in spending, invest taxpayer dollars so that they produce long-term economic dividends for the country, reduce the national debt and lower taxes.

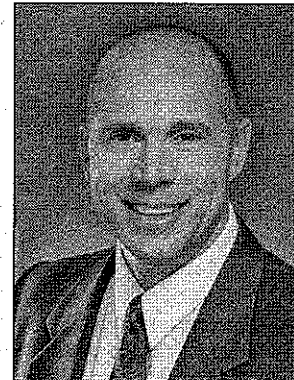
Yet, even though our fiscal prudence has put us in a solid position to weather the current economic challenges, we now face the necessity of spending more than we had planned.

On that point, however, there must be an important caveat.

While Canadians recognize the need for strong effective measures to be implemented in the upcoming budget, they do not want our spending to put us into a long term deficit.

The accelerated infusion of capital into this country's

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*Ron Cannan*

economy must be a smart investment of taxpayers' dollars aimed at producing effective and permanent economic dividends.

In order to determine how best to do this, many communities like our own have held meetings to discuss ways to proceed.

I have met with numerous individuals and groups including the Kelowna Chamber of Commerce who last week held an economic roundtable bringing together local businesses and individuals to gather ideas that will ensure the region's economic recovery and growth.

The participants' suggestions were thoughtful and

practical and ranged from extending EI programs like Workshare and reducing CMHC fees so that housing is more affordable, to accelerating infrastructure spending and continuing with planned tax cuts for individuals and corporations to ensure that Canada at least maintains its current status as an attractive place to invest, live and work.

More suggestions have since come across my desk from people like Okanagan College president Jim Hamilton.

Hamilton believes, as do many others, that federal and provincial investment in college infrastructure and programs can serve as a key element of a stimulus package.

The difficulty is that Okanagan College and other institutions in Canada face space and funding shortages which hamper their capacity to address the retraining needs already being experienced as a consequence of the economic slowdown.

The Kelowna Chamber of Commerce and many employers in our region have made it clear that productivity and growth is threatened because of skilled labour shortages in the Okanagan and that

the current economic conditions only stand to worsen the impact.

Funding the expansion of our colleges as part of our overall post-secondary spending is a wise use of tax dollars.

Canada would improve its productivity and the acute shortage of advanced skills would be mitigated by those who have improved their skills or retrained for new opportunities.

This is the kind of positive thinking that has driven the advice I have received on what should be included in the next federal budget.

I thank those who took the time to provide it and I have in turn brought the suggestions to the attention of Finance Minister Jim Flaherty.

I have no doubt that wisdom will prevail in the Jan. 27 federal budget and that any new spending will meet the caveat of providing a positive long-term impact on the economy and a good return on investment for taxpayers.

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