



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

News Release

For immediate release

Budget Measures Provide Needed Support for Economic Recovery and Define a Credible Plan for Fiscal Balance

OTTAWA, March 4, 2010 - The federal budget, released today, charts a prudent course to support recovery of the Canadian economy and bring public finances back into balance. The government has set out a realistic plan to reduce the \$54 billion deficit to near fiscal balance in five years. The Investment Industry Association of Canada (IIAC) supports the commitment to spending restraint to achieve fiscal objectives. The responsible fiscal actions taken in the past four years underlie the credibility in the fiscal projections.

“The measures in the Extraordinary Financing Framework previously introduced by government were timely and effective and have contributed significantly to improved credit and economic conditions,” said Ian Russell, President and CEO, IIAC.

The IIAC is disappointed the federal government has not introduced additional incentives to stimulate investor spending, especially in the small business sector. The IIAC recommended modest capital gains tax relief on shares of small publicly listed companies. A selective reduction in capital gains tax on the shares of smaller public companies would contribute to business expansion and job creation.

“While the economic recovery continues to take shape, conditions have not yet normalized and additional incentives would be helpful to encourage private sector demand,” concluded Mr. Russell.

Canada has emerged in far better shape than most industrialized countries from the global financial crisis and economic downturn. Sound economic management and financial regulation give Canada a deserved leading role in the forthcoming G8 and G20 meetings.

The Investment Industry Association of Canada (IIAC) advances the position of the Canadian investment industry on regulatory and public policy issues. As the professional association for the industry, IIAC has a mandate to promote efficient, fair and competitive capital markets for Canada while helping its member firms across the country succeed in the industry.

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