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Harper Says Canadian Economy, Banks 'Solid' (Update2)

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Oct. 1 (Bloomberg) -- Canadian Prime Minister [Stephen Harper](#) said that the country's economic fundamentals are strong, adding it's not time for new taxes or budget deficits.

"Canada isn't the United States -- the situation is very different and the economic fundamentals are solid," Harper said during a televised debate in French today with other party leaders ahead of national elections. "The main challenge is to stay on the right course. It's not time for new taxes or for deficits."

Harper, seeking to turn the country's worst slowdown since 1992 into an advantage, is pledging to keep a tight lid on government finances and not undertake major initiatives that he says the country can ill afford at a time of global turmoil. He's warning opposition plans to tax energy threaten to push the economy into a [recession](#).

[Liberal Party](#) Leader [Stephane Dion](#) said that within 30 days of being elected, he would seek advice from financial regulators on how to "better protect Canadians' savings," and release a fiscal update with measures that would stimulate growth.

"We need a government that knows the role of government is to act," Dion said.

The Bank of Canada estimates economic [growth](#) of 1 percent this year, the lowest since 1992, when Canada was last in recession.

Bush Policies

[New Democratic Party](#) Leader [Jack Layton](#) said Harper's economic policies are too closely aligned with the U.S., and he called for tighter regulation of banks.

"The policies you are proposing today are the same policies [George Bush](#) implemented in the United States. We need to regulate the sector," Layton said.

Harper is hoping to turn slumping support for Quebec sovereignty to his advantage, reaching out to voters who have supported the separatist Bloc Quebecois in the past.

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Polls show the two parties are now neck-and-neck in the province, with the Conservatives poised to take their largest tally of seats since 1988.

The Conservatives have the support of 30 percent of voters in Quebec, compared with 31 percent for the Bloc and 16 percent for the Liberals and the NDP, according to a CROP Inc. poll of 1,000 voters conducted Sept. 18-28.

Bloc Quebecois Leader [Gilles Duceppe](#) sought to paint Harper as a Bush



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supporter on issues ranging from crime to the environment.

More Guns

“The Conservative government’s vision and that of Quebec are completely opposed” on crime, Duceppe said. “Mr. Harper’s vision is the same as Bush’s: more guns on the streets and more people in jail.”

Opinion polls show Harper’s [Conservative Party](#) is poised for its first back-to-back victories in two decades, largely because of the party’s perceived superiority on economic issues.

A Nanos Research poll for CPAC today showed the Conservatives, in power since 2006, have the support of 36 percent of voters, compared with 26 percent for the Liberals. [Elections](#) are Oct. 14.

The party leaders, who debated in French today, will hold another televised debate tomorrow in English from the National Arts Centre in Ottawa.

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