



THE ROAD TO BALANCE:  
**CREATING JOBS  
AND OPPORTUNITIES**

ECONOMIC ACTION PLAN 2014  
THE BUDGET SPEECH

The Honourable  
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Minister of Finance

February 11, 2014





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## Check against delivery

# Canada's Economic Action Plan 2014

Mr. Speaker, nearly 150 years ago, Canada was founded with fiscal responsibility as its cornerstone.

The men and women who carved this great country out of the wilderness simply called it “good government.”

That's what Minister of Finance John Rose was talking about when he stood before this assembly to deliver Canada's first budget speech in 1868.

He said, “I say that we ought to be most careful in our outlay, and consider well every shilling we expend.”

Now, that's just old-fashioned English for old-fashioned common sense.

And it is that solid, Canadian common sense that has guided our Government through good times and bad.

Mr. Speaker, I am proud to rise today to present Canada's Economic Action Plan 2014.

This prudent plan builds on our record of strong, sound and consistent fiscal management.

It is a low-tax plan to promote jobs and economic growth and support Canadian families.

And it is a common sense plan that will see Canada return to a balanced budget in 2015.

Economic Action Plan 2014 sticks to the principles that we adopted when I rose to deliver our Government's first budget in 2006 during good times.

What did our Government do then, when our budget was in surplus and when few could see dark clouds on the horizon?

- We paid down our federal debt.
- We lowered taxes for families and job creators.
- We made sure our fiscal house was in order.



Why did we do this?

Because it was the responsible way to a brighter future for Canadians.

Financial prudence now leads to financial prosperity in the future.

It leads to opportunity.

And so it was that when economic bad times came, our country was better prepared than most.

Since the depths of the recession Canada has led the G-7 in job creation.

Coming out of the recession Canada had a triple-A credit rating with a stable outlook—which was and still is virtually unmatched among our peers.

We have the best net debt-to-GDP ratio among G-7 nations.

There are many reasons to be optimistic.

There are signs of recovery around us.

But there are also troubled waters.

The world economy is still fragile—one need look no further than Europe and the emerging economies to see that.

Here at home, household debt is still higher than we'd like to see.

And there are still too many Canadians looking for work, and too many employers looking for workers.

There is still work to be done.

As my favourite Father of Confederation, Thomas D'Arcy McGee, once said, "We are in the rapids and must go on."

And so, even as the times get better again, we will stay the course that has worked so well.



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## 1. Balancing the Budget

Mr. Speaker, Sir John A. Macdonald—my other favourite Father of Confederation—could have been talking about our Economic Action Plan when he said, “the Government are merely trustees for the public.”

And that is why we are so committed to balancing the budget and returning Canada to a position of fiscal strength.

When governments run prolonged deficits, they are spending money that belongs to future generations.

Deficit spending endangers social programs we benefit from and our children will soon depend on.

We also recognize that balanced budgets are important to the long-term prosperity of this country, inspiring confidence in investors and consumers, whose dollars grow the economy and create jobs, and ensuring interest rates stay low.

Canadians have trusted us with the economy and we have delivered.

As we have promised, our Government remains committed to balancing the budget in 2015.

But I must be clear.

We did not do this on the backs of ordinary Canadians or Canadians in need, or at the expense of our provinces and territories.

We did not cut the programs Canadians rely on.

We did not cut transfers to our provinces and territories—money they use for things like education and health care.

Rather, we did this by getting our own fiscal house in order.

And, Mr. Speaker, that is exactly how our Government will continue.

Our Government has reduced direct program spending for the third year in a row in 2012–13.

That is something no other government has done in decades.



Our Government continues to eliminate waste that will cut the cost of government without cutting programs Canadians depend on.

Going forward:

- The Government will freeze the operating expenses of departments.
- We will continue to divest government assets when in the best interest of Canadians to do so.

By doing these things, we will not only balance the budget in 2015, we will achieve a surplus.

But let me be clear:

A return to surplus is not a licence to spend recklessly.

What we will do—what we have always done—is stay the course.

We will make sure Canada's fiscal position remains strong, strong enough to weather any future global economic storms.

That starts with paying down the debt.

## **2. Keeping Taxes Low**

And keeping taxes low.

Even in the toughest economic times, our Government has worked hard to reduce the tax burden for Canadian families and Canadian businesses.

In fact, the federal tax burden is the lowest it has been in 50 years.

Since taking office we:

- Delivered more than 160 tax relief measures.
- Lowered the GST to 5 per cent from 7 per cent.
- Introduced pension income splitting for seniors.
- Created the Working Income Tax Benefit—WITB—to help ensure that low-income workers are better off by taking a job.

Now, an average family of four pays \$3,400 less in tax in a year.



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But we also know that taxes help fund programs and services Canadians rely on.

And we will keep closing tax loopholes so every Canadian pays their fair share.

### **3. Promoting Jobs and Economic Growth**

Mr. Speaker, by keeping taxes low we have created the best environment for business investment in the G-7.

And those businesses create jobs for Canadians.

Creating jobs and opportunities remains our Government's top priority.

We already have the best record for job creation among G-7 nations.

Since the depths of the economic recession, employment has increased by more than 1 million.

These jobs are overwhelmingly full-time and in the private sector.

And we're making sure that opportunities are there for everyone.

We have invested in apprenticeship programs and measures to increase the numbers of people with disabilities, young people and Aboriginal Canadians in the workforce by helping them find the job training they need.

But there is more we can and will do:

- That's why today I am pleased to announce the Canada Apprentice Loan, which will give apprentices registered in Red Seal trades access to interest-free student loans millions of other Canadians have benefited from previously.
- And that is why the Prime Minister announced more than \$1.9 billion in new funding to implement the *First Nations Control of First Nations Education Act*.

Canada has one of the best-educated workforces in the world.

In fact, the number of Canadians under 25 with university degrees has gone up by more than 50 per cent since 2002.



Still, getting that first job after finishing college or university can be challenging.

To help young people get the first, critical work experience they need, our Government will focus investment to support internships in high-demand fields and in small and medium-sized businesses.

As well, we will support two programs that will help people with disabilities find jobs and stay employed.

- Ready, Willing & Able is an initiative to help Canadians with intellectual disabilities become part of the workforce.
- We will also invest in a program to help young people with autism find rewarding jobs.

We will also implement an enhanced Job Matching Service to help unemployed Canadians get back to work by connecting them with employers looking to hire individuals with their skill set.

### **Expression of Interest System**

We will also introduce a new Expression of Interest system to ensure Canada has an efficient, flexible immigration system that matches the needs of employers.

### **Research and Innovation**

Mr. Speaker, Canada leads the G-7 when it comes to investing in post-secondary research.

And we know that investments in science and technology help Canadian business remain competitive while creating high-paying jobs.

That's why we have invested more than \$11 billion in new resources since 2006 to support science, technology and innovative companies that are opening new frontiers for Canada.

And that's why I am very pleased today to announce our Government's investment in the Canada First Research Excellence Fund.

This fund will support the strategic research priorities of Canada's post-secondary institutions and help them excel globally in research areas that create long-term economic advantages for Canada.



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In addition, Mr. Speaker, Budget 2014 will result in the largest annual increase in funding for research through the granting councils in over a decade.

### **Responsible Resource Development**

In Canada's very first budget speech Finance Minister John Rose said, "What this country wants is care and judgement in the development of its resources."

Those words still ring true today.

That's why our Government is promoting safe, responsible resource development that is not bogged down by unnecessary red tape.

Minister Rose also said, "We must not neglect the means necessary to bring our products of all kinds to a profitable market."

That is also true today, especially when it comes to energy.

Making sure that Canadian energy remains available to markets around the world is a priority for this Government.

That's why I am happy to announce today that Economic Action Plan 2014 sets aside funds for review of projects like the Energy East Pipeline proposal.

In addition, Canada has always been an exporting nation. Our investment in the new Windsor-Detroit crossing means Canadian goods will get to market faster, allowing businesses to grow, expand trade and help to secure a prosperous future.

### **Environment**

Our Government is committed to protecting Canada's environment.

And that commitment is evident in our ongoing investment in National Parks.

In fact, since coming to office we have added more than 160,000 square kilometres to our National Parks and marine conservation system.

These priceless natural and historical places are a spectacular legacy for our children and we must ensure they remain pristine.





I am pleased to announce that our Government is investing to maintain these national treasures for the next generation to enjoy.

We will make substantial investments through Parks Canada to improve the highways, bridges and dams located in our National Parks and along our historic canals.

- We know partnering with committed citizen groups can make conservation dollars stretch farther.

That's why we introduced the Recreational Fisheries Conservation Partnerships Program, which doubled the impact of every dollar invested in its first year.

Today we are increasing our commitment to protect even more sensitive fish habitat in the future.

- Canada is blessed with a network of recreational trails that allow Canadians to connect with nature all year round.

It pleases me to announce that our Government will partner with the National Trails Coalition to make this recreational experience even better, fulfilling another of our 2011 platform commitments.

#### **4. Standing up for Families and Communities**

Families are the lifeblood of every community. Our Government is working hard to ensure that Canadian families are protected in their communities.

As part of these efforts, we will create a DNA-based Missing Persons Index to help bring some peace to the families of missing persons.

For that, I want to thank Judy Peterson.

Mr. Speaker, we are also standing up for hard-working families trying to make ends meet.

Our Consumers First agenda will help ensure Canadians are also protected in the marketplace.

When Canadian families spend their hard-earned money, they should be confident that they are being treated fairly in a competitive marketplace.

That's why we took steps to increase competition in the wireless sector, which has reduced wireless rates by 20 per cent.



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That's why we are:

- Taking steps to lower wholesale roaming rates within Canada; and
- Giving the CRTC the power to impose financial penalties on companies that do not comply with the rules.

We will also:

- Introduce legislation to address the price gap between identical goods sold in Canada and the United States.
- Continue our investments in Canada's food safety system by hiring more inspectors to ensure the food destined for Canadian dinner tables is safe.
- Prohibit the pay-to-pay practice that charges consumers for paper bills—including printed credit card statements.
- Reduce red tape for charities by enabling them to apply for registration and file their annual returns electronically.
- Make major investments to improve broadband coverage in rural and northern communities.

## **Conclusion**

Mr. Speaker, I am proud of our Government's record of fiscal restraint and good management.

This record has been the envy of the world.

I believe we have been, as Sir John A. wanted us to be, "trustees for the public."

And I know that I speak on behalf of all my colleagues when I say that we are truly grateful to all Canadians for putting their trust in us.

We have worked hard.

And we will continue to work hard to, as Thomas D'Arcy McGee said, "strengthen the faith of our people in their own future, the faith of every Canadian in Canada."

Mr. Speaker, the plan unveiled today is another prudent step toward that brighter future.

Thank you.