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# News Release

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## Minister of Finance Confirms Return to Balanced Budgets in 2015

With a commitment to return to balanced budgets in 2015, Economic Action Plan 2014 demonstrates the importance of strong public finances to creating jobs, growth, and opportunities for all Canadians

February 11, 2014

Ottawa, Ontario

Department of Finance

Minister of Finance Jim Flaherty today tabled Economic Action Plan 2014, which confirms that the Government is on track to return to balanced budgets in 2015, with new measures that will create jobs and opportunities in an uncertain global economy.

The Government is on track to balance the budget while keeping taxes low and protecting the programs and services Canadians count on.

With no new taxes on Canadian families or businesses, Economic Action Plan 2014 projects that the deficit will decline to \$2.9 billion in 2014–15, after taking into account a \$3 billion annual adjustment for risk. A surplus of \$6.4 billion is expected in 2015–16, again after taking into account a \$3 billion annual adjustment for risk.

Since the inception of Canada's Economic Action Plan in 2009, Canada has achieved the best job creation record and one of the best economic performances in the Group of Seven (G-7) over the recovery.

Economic Action Plan 2014 builds on this record of achievement with positive measures to grow the economy and help create jobs.

### Supporting Jobs and Growth:

- Launching the Canada Job Grant and an enhanced Job Matching Service to help connect Canadians with available jobs.
- Introducing a new Canada Apprentice Loan to help registered apprentices in Red Seal trades with the cost of training.
- Investing to reform the on-reserve education system, in partnership with First Nations, through the *First Nations Control of First Nations Education Act*.
- Investing in programs to help older workers and persons with disabilities access the labour market.
- Creating thousands of new paid internships for young Canadians entering the job market.
- Making a major investment of \$500 million in automotive sector support, investments in Canada's forestry and mining sectors, and much more.



- Providing \$1.5 billion over the next decade for the Canada First Research Excellence Fund for post-secondary research.

### **Supporting Families and Communities:**

- Standing up for consumers by encouraging competition and lower prices in the telecommunications market and introducing legislation to prohibit unjustified cross-border price discrimination.
- Eliminating the practice of pay-to-pay billing.
- Increasing the Adoption Expense Tax Credit to help make adoption more affordable for Canadian families.
- Expanding tax relief for health care by exempting acupuncturists' and naturopathic doctors' professional services from the Goods and Services Tax/Harmonized Sales Tax.
- Strengthening food safety for Canadian families with major new investments of \$390 million.
- Investing more than \$300 million to bring faster broadband internet to rural and Northern Canada.
- Protecting Canadians from the impact of natural disasters with \$200 million to establish a National Disaster Mitigation Program.
- Creating a new Search and Rescue Volunteers Tax Credit, to recognize the important role played by search and rescue volunteers who put themselves at risk while contributing to the safety and security of Canadians.
- Expanding the Funeral and Burial Program so modern day veterans have access to a dignified funeral and burial.

### **Balancing the Budget:**

- Advancing the Government's commitment to control direct program spending with proposals to ensure that overall public service employee compensation is reasonable and affordable.
- Working with Crown corporations to implement 50:50 employee pension plan cost sharing, and to increase the retirement age for new hires.

Along with Economic Action Plan 2014, the Government issued its *Jobs Report: The State of the Canadian Labour Market*, which examines recent developments in the job market, the education and skills level of Canada's workforce, and skills shortages. It also outlines actions the Government has taken to support Canadians in upgrading their skills and to create high-quality jobs.

## Quick Facts

- The Canadian economy has continued to create jobs, with over 1 million more Canadians working today than during the worst part of the recession.
- Since 2006, Canadians have enjoyed the strongest per capita income growth in the G-7 by far.
- Canadian families in all income groups have seen increases of about 10 per cent or more in their real after-tax, after-transfer income since 2006.
- Canadians at all income levels are benefiting from tax relief introduced by the Government, with low- and middle-income Canadians receiving proportionately greater relief. An average Canadian family of four now pays \$3,400 less in taxes due to the Government's record of tax relief.
- Canada is now one of only a handful of countries in the world that continues to earn a triple-A credit rating, with a stable outlook, from all the major credit rating agencies.
- Paying down debt before the global recession and controlling spending have helped ensure that Canada's total government net debt-to-GDP (gross domestic product) ratio will remain the lowest by far of any G-7 country, and among the lowest of advanced G-20 countries.

## Quotes

“Canada has a well-deserved reputation for fiscal responsibility and managing taxpayers’ money responsibly while making key investments to help Canadian families and the economy. Economic Action Plan 2014 shows our approach is working, creating jobs, keeping the economy growing, supporting families and communities and returning to balanced budgets in 2015. Our Plan lays out the next steps to keep taxes low while investing in what matters to Canadians, including our country’s greatest asset, our people.”

—Jim Flaherty, Minister of Finance

## Related Products

- *Jobs Report: The State of the Canadian Labour Market*
- Backgrounder: The Road to Balance
- Backgrounder: Supporting Families and Communities
- Backgrounder: Jobs and Growth
- EAP 2014 Overview Video

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For further information, media may contact:

Marie Prentice  
Press Secretary  
Office of the Minister of Finance  
613-996-7861

Jack Aubry  
Media Relations  
Department of Finance  
613-996-8080

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