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Budget 2017—Building a Strong Middle Class

Remarks by the Honourable Bill Morneau, P.C., M.P.
March 22, 2017

Mr. Speaker,

As Canadians come together to celebrate Canada 150, we proudly reflect on the generations that came before us.

Generations that built a country on the belief that with hope and hard work, they could deliver a better future for themselves, and for their kids and grandkids.

That optimism—and that confidence—helped define us as a country.

Sharing those beliefs with others made Canada a beacon of diversity, openness, and generosity around the world.

Yet, over the last few decades, the middle class and those working hard to join it have fallen behind.

Everyday folks who work hard to provide for their families are worried about the future.

They're worried that rapid technological change, the seemingly never-ending need for new skills, and growing demands on our time will mean that their kids won't have the same opportunities that they had.

And who can blame them?

For a decade, middle class struggles were simply swept under the rug.

People were left without a clear vision for growth at a time of unprecedented change.

But the good news is that Canadians—on their own accord—worked hard and persevered.

We have always been resilient and innovative, able to adapt—and prosper—in the face of change.

Knowing that, we put together a plan to ensure that, in a changing world, Canada's middle class and those working hard to join it can—and will—succeed.



A year and a half ago, our Government set out to deliver the kind of change that would make a real difference for Canadians.

We said we would help people retire with dignity.

We said we would ask the wealthiest 1 per cent to pay a little more, so we could cut taxes for the middle class.

We said we would make smart, responsible investments in our communities.

That's exactly what we did.

We've delivered on behalf of Canadians.

And we're just getting started.

Now, we realize that there is much more work ahead of us than behind us.

But I remain inspired that we're on the right path.

One of the most memorable moments I've had as Canada's Finance Minister happened in a taxi cab in Toronto.

On my way home one night, my taxi driver, Mian, recognized me, and we started chatting.

Then he did something that surprised me.

He called his wife and put her on speakerphone.

They wanted to talk to me about the difference the Canada Child Benefit had made in their lives.

You'll remember, Mr. Speaker, that this benefit gives 9 out of 10 Canadian families more help with the high cost of raising their kids.

In Mian's case, with three children aged 11, 9, and 10 months, the Canada Child Benefit means that he and his wife receive about \$300 more per month than they did a year ago.

That's an extra \$3,600 every year, tax-free—money that can be put toward groceries, school supplies, and new clothes.

There are countless other stories like this one across the country, each a sign that confidence is building and that our plan for middle class prosperity is working.

Stories like Dave's—a plumber from British Columbia who took advantage of a training program supported by the federal government to get his Red Seal certification last year. Now he has a well-paying job and is able to return to work in his community.

And Nebis, a mother of three from a remote Algonquin community in Quebec.

The Canada Child Benefit has helped keep her three kids enrolled in hockey this season.

Mian, Dave, and Nebis, like millions of middle class Canadians, want to see progress for themselves and their families.

They want a government that puts people first.

They want a government focused on creating good jobs today, while also preparing Canadians for the jobs of tomorrow.

They want a government that puts our skilled, talented, and creative people at the heart of a more innovative and globally competitive Canada.

Mr. Speaker, here's how we're doing it.

Infrastructure

Across the country, we're building stronger communities.

We're doing it by creating jobs, shortening commutes, ensuring clean air and water, and improving quality of life for millions of Canadians.

In the last year and a half, 744 public transit projects have been approved and are creating good, well-paying jobs for Canadians.

In Calgary and Ottawa, long-awaited and transformative light rail transit projects are underway.

In Montréal and Vancouver, riders can look forward to a more enjoyable commute thanks to rehabilitation work being done to the metro and SkyTrain systems.

We're repairing nearly 50,000 social housing units, to make sure families have a safe and secure place to live.

We've lifted 18 long-term boil water advisories in First Nations communities, getting us closer to our ultimate goal of ensuring that every child in Canada has access to clean drinking water.

Ten years from now, our cities, towns, and northern and rural communities will be healthier and better connected.

Our air and water will be cleaner.

More Canadian goods will get to international markets.

And modern, efficient public transit systems will get hard-working parents home more quickly at the end of a long day.

Innovation and Skills

Mr. Speaker, as we look to the coming decades, we see the potential of new innovations to transform our lives.

Self-driving cars, artificial intelligence, genomics, quantum computing, mobile payments, the sharing economy...

These ideas are changing our world for the better, just like the innovations that have preceded them.

A few decades ago, we never could have imagined how mobile computing would impact our lives.

Today, a 5-year-old in Victoria can video chat every night with his snowbird grandparents in Florida on a phone or tablet.

Thanks to e-commerce platforms like Alibaba, an Alberta farmer can sell top-quality beef to 300 million potential buyers in China.

And cutting-edge research from Montréal has led to breakthrough treatments for multiple sclerosis.

Mr. Speaker, we must see the immense opportunities that these changes bring with them.

Opportunities for progress and prosperity.

And while the rapid pace of change can seem dizzying at times, we must never lose sight of what's driving these breakthrough innovations: people.

People like Mian, Dave, and Nebis.

And so, as we create the jobs of tomorrow, we will support a culture of lifelong learning and skills training to help workers and their families adapt to the changing demands of our time.

We will help students get the skills and work experience they need to kick-start their careers.

We will make it more affordable for thousands of adult workers to learn new skills while raising their families.

And we will give people who've lost their jobs the chance to go back to school for further training, helping these Canadians advance their careers, and turn challenges into opportunity.

To give our young people the best possible start, we will promote hands-on learning in science, technology, engineering, and math, especially for young women, girls, and Indigenous youth.

Building on work being done by impressive organizations like Ladies Learning Code and Actua, we will encourage students to learn coding in the same way they learn to read and write, preparing our kids for the jobs of the future.

Mr. Speaker, Budget 2017 is about creating good middle class jobs—now, and in the years to come.

And to do that, we need to focus on our strengths—areas where we can lead globally and create good jobs for Canadians.

In this budget, we are making investments in six economic sectors where Canada will lead the way: digital, clean technology, agri-food, advanced manufacturing, bio-sciences, and clean resources.

Mr. Speaker, in the realm of digital technology, I know two things to be true. One: Canada can be a world leader in digital innovation. And two: we can't afford not to be.

That's why we will launch a Pan-Canadian Artificial Intelligence Strategy, and bring together Canada's main centres of AI expertise to drive investment and job creation across the country.

In agri-food, too, we're positioned for success.

By 2050, global demand for food is expected to rise significantly.

That means more demand for Prairie canola, Atlantic crab and lobster, and B.C. berries.

It also means more jobs in the fields of southwestern Ontario, and on the maple syrup farms of Quebec's Eastern Townships.

We will help farmers, producers, and processors build their businesses globally, and do so sustainably.

Mr. Speaker, Canadians know that our environment and our economy go hand in hand.

It's why we've worked with the provinces and territories to adopt the Pan-Canadian Framework on Clean Growth and Climate Change.

This not only means cleaner air to breathe; it means business and investment opportunities, too.

It means that jobs installing solar cells, manufacturing electric cars, or developing cleaner fuels will be in high demand.

Luckily, our energy sector is already well positioned—to not only compete, but to lead.

By investing in clean technology and responsible resource development, we will preserve our environment for future generations, create great jobs, and re-stake our claim as a leading supplier of energy to the world for the next 150 years.

A Real and Fair Chance at Success

Mr. Speaker, our plan is clear.

Smart, ambitious investments in people, communities, and high-growth industries lead to opportunities.

Opportunities lead to jobs.

Jobs lead to a more confident and growing middle class.

And a more confident, growing middle class is the only path to strong and sustained economic growth.

The Government's role in all of this is to lend support to those who are driving us forward, and to make sure everyone has a real and fair chance at success.

This means ensuring our most basic needs are met.

Health

And health and well-being are at the top of that list.

Though our universal health care system is a source of pride for many Canadians, we know that more can be done for families caring for aging or disabled loved ones.

It's why this budget provides support for caregivers helping loved ones at home, and makes it easier for Canadians living with disabilities to get the tax relief they need.

Mr. Speaker, we believe that, whether their ailments are physical or mental, Canadians from coast to coast to coast deserve the best possible care that we can provide.

They deserve our help.

And I'm pleased that, with leadership from the Minister of Health, over the last several months we have reached health agreements with nearly every single province and territory.

Through these landmark agreements and historic health transfers to provinces and territories—which represent over \$200 billion over the next five years—we will reduce stress for families, and ensure that every young person under the age of 25 gets the mental health support they need.

Housing

Mr. Speaker, having had the honour of representing and meeting families in St. James Town and Regent Park, I've seen first-hand the challenge of affordable housing.

And so, it is my privilege to announce that the Government will be investing over \$11 billion—the largest single commitment in Budget 2017—in support of a National Housing Strategy, to help ensure every Canadian has a safe and affordable place to call home.

Our Government has shown, and will continue to show, national leadership on housing.

And we will prioritize support for vulnerable citizens, including: seniors, Indigenous Peoples, survivors fleeing domestic violence, persons with disabilities, those dealing with mental health issues, and veterans.

Empowering Women at the Heart of Our Economy

Mr. Speaker, the decisions we make, and the policies we create, impact men and women differently.

In order to make laws and develop policies and programs that are in the best interests of all Canadians, we have to know what kind of impact they'll have.

We know, for example, that while Canadian companies are getting better when it comes to hiring more women, they're still less effective at promoting women to senior roles.

And we know that fewer women join or stay in the workforce than men.

That means that as a country, we aren't taking full advantage of the talents, insights, and experience of more than half of our population.

It seems unfathomable. But it's true.

It's why we need to do better.

And so, as a first step, we've asked the Canada-United States Council for Advancement of Women Entrepreneurs and Business Leaders to quickly advise us on how we can better empower women entrepreneurs, and remove barriers for women in business.

But not all obstacles to progress are as obvious.

So, in Budget 2017, we did something that, frankly, should have been done a long time ago.

We published the Government's first ever Gender Statement, an assessment that ensures all budget measures—not just those aimed specifically at women—help us advance the goals of fairness, stronger workforce participation, and gender equality.

Mr. Speaker, we realize that this is just the start, and we look forward to feedback on this first effort, which we'll then build into future budgets.

Child Care

Another one of those barriers, Mr. Speaker, is access to quality child care.

Too often we hear stories of single parents living in poverty because the cost of child care is so high, they can't afford to go back to work.

And that's not right.

To help low- and middle-income families with the costs of child care, we are committing \$7 billion over the next decade to increase the number of high-quality child care spaces available across the country.

In order to provide immediate relief to Canadian families, we could create up to 40,000 new subsidized child care spaces over the next three years by working with the provinces and territories.

Canadian parents deserve our support, and they're going to get it.

Indigenous Peoples

Mr. Speaker, we know that strong partnerships between the federal government and Indigenous communities are crucial for our success.

By 2021–22, as a result of the investments made in this budget, funding for Indigenous Peoples will be over \$3 billion higher than when we took office. This represents an increase of 27 per cent—well in excess of what would have been provided under the decades-old 2 per cent funding cap—and will contribute to a higher quality of life on reserves. All this, while setting Canada on a path toward true reconciliation with Indigenous Peoples.

This work continues today, both because it is a recognition of the rights of Indigenous Peoples, and because it's essential to our economic future.

Together, we will build stronger, more resilient communities and renew our nation-to-nation relationship with First Nations, Inuit, and Métis.

We will help break down employment barriers, with a focus on skills development, training, and better education.

And we will provide greater access to mental health, wellness, and suicide prevention services, while working with Indigenous communities to combat substance abuse.

Fairness for the Middle Class

This is our plan for Canada.

For it to succeed, we all have to do our share.

Mr. Speaker, I have been very fortunate in my life to have had a successful career in business.

And I've always paid my fair share of taxes.

But it can be tempting for some to take someone's advice here, and plan a little more strategically there.

Our review of federal tax expenditures, for example, highlighted a number of issues around tax planning strategies using private corporations.

Strategies that can result in some very wealthy individuals getting unfair tax breaks at the expense of others.

Mr. Speaker, Canadians expect a fair tax system. Our Government is committed to taking action on this issue, and we will have more to say on this in the near future.

One of our Government's very first actions was to raise taxes on the wealthiest 1 per cent of Canadians, so that we could cut taxes for the middle class.

And because of this tax cut, 9 million Canadians see more money on every single paycheque.

That, Mr. Speaker, is change that makes a real difference in people's lives.

We also gave the Canada Revenue Agency more resources to detect, audit, and combat illegal tax evasion and aggressive tax avoidance.

Going forward, we will close loopholes that result in unfair tax advantages for some at the expense of others.

We will eliminate inefficient tax measures, especially those that disproportionately benefit the wealthy.

And we will work with the provinces and territories to crack down on those who hide their identity to avoid paying taxes.

Because, Mr. Speaker, let me be clear:

All Canadians must pay their fair share of taxes.

Period.

Canada's Role in the World

Mr. Speaker, Canada has always played an important role on the international stage.

And, going forward, as needs change, so too will our approach.

In international assistance, for example, we remain committed to helping the world's poorest and most vulnerable. And we will continue to modernize our efforts so we can deliver better results, improve transparency, and foster innovation around the world.

To support our women and men in uniform in increasingly complex and unpredictable times, our Government will soon release a new defence policy for Canada, following extensive consultation and analysis.

Mr. Speaker, we know that as a trading nation, our future depends on openness and investment.

And that means never missing an opportunity to remind the world of what makes Canada a great place to live, play, and do business.

Nowhere is this truer than with our neighbours to the south.

Canada and the United States have the most successful economic relationship in the world, supporting millions of middle class jobs on both sides of the border.

We're proud of this fact.

And we're also proud to have recently concluded the Comprehensive Economic and Trade Agreement—a free trade agreement that will create jobs, reduce red tape, and give Canadian businesses preferred access to half a billion potential customers across the European Union.

And as we prepare for the global economy of tomorrow, we will put our best foot forward, always looking to develop strategic partnerships to attract talent and investment.

Partnerships that will help our companies succeed globally, and create good middle class jobs here at home.

Conclusion

Mr. Speaker, Canada 150 reminds us that we have a lot to be thankful for.

Economically, our talented, skilled, educated, diverse, and innovative workforce gives us tremendous potential for growth.

Our values, our stories, and our cultures shine for the world to see.

Our official languages are flourishing.

Our natural resources, and natural beauty, are unparalleled, allowing us to share the joys of building a campfire with our kids, hiking with a college friend, or swimming in cool, clean waters.

In fact, this year we're putting our national parks, historic sites, and marine conservation areas on full display as we invite Canadians and families from around the world to enjoy them, free of charge.

Most importantly, Mr. Speaker, we've begun to see signs of confidence and optimism return to our middle class.

Consumer spending is up since we introduced the Canada Child Benefit.

In the last seven months, the Canadian economy has created a quarter million new jobs—the largest seven months of job gains Canada has seen in a decade.

Unemployment has fallen in the time since we took office.

These are good, early signs of a plan that is working.

That's why we will continue to invest in our people, our communities, and our economy while maximizing every dollar and ensuring it is well spent.

Mr. Speaker, our approach to investing deliberately will enable us to maintain our enviable position as the G7 nation with the best balance sheet.

Most importantly, at the same time, we will have built a better future for our kids.

But Mr. Speaker, we know there is more work to do on behalf of middle class Canadians.

Middle class Canadians like Mian, Dave, and Nebis.

Working together, we will embrace the change in front of us, and deliver prosperity for all.

Thank you, Mr. Speaker.