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Pivoting from pandemic to growth

In this country's nearly 155 years, Canadians have never been through a time like these past 25 months. And we're not out yet from under the shadow of uncertainty and complexity presented by the challenges before us.

For me, the release earlier this month of Budget 2022 was an opportunity to pause, reflect, look around and take stock of how we're doing amid all this. And I was heartened by what I saw.

Over the course of the pandemic, the federal government deployed one of the most effective response plans in the world. It was an unprecedented level of emergency support to protect Canadian families and Canadian businesses.

My colleague, Finance Minister Chrystia Freeland, called it "an audacious plan" in its scope, ambition and resolve. And it worked. The Canadian economy's recovery has been swift and strong.

Rebounding economy

As Budget 2022 documents, after waves of COVID and multiple lockdowns, our economy has recovered 112 per cent of the jobs lost during those harrowing first months of the pandemic - compared to 90 per cent in the United States. Our unemployment rate is down to 5.5 per cent—close to the 5.4 per cent low in 2019 that was Canada's best in five decades. Our real GDP is more than a full percentage point above where it was before the pandemic.

The federal government's emergency COVID response saved lives and kept Canada's economy afloat. But these were, and must remain, emergency measures. The time for extraordinary COVID support is over.

Budget 2022 firmly pivots the government's focus from broad-based emergency COVID expenditures towards targeted investments that will expand our economic capacity and productivity to drive long-term growth that is critical to our nation's future.

Economic growth has been lagging in Canada – threatening Canadians' standard of living and our ability to afford cherished social programs. A thriving private sector is particularly important given the opportunities for Canada as the world moves toward a much lower carbon future.

Driving investment and growth

Budget 2022 contains several elements focused on driving investment and growth, including the creation of a new innovation agency modelled on the successful efforts of countries like Finland and Israel, a graduated corporate tax rate for small and medium sized businesses, and a $15B Growth Fund which will catalyze private sector investments in key growth areas including hydrogen, biofuels, renewables and critical minerals.

There is also significant focus on increasing housing supply – a critical issue here in North Vancouver. Budget 2022 represents the most ambitious plan that Canada has ever had to solve this fundamental challenge. Over the next ten years, we will double the number of new homes built in Canada. We will invest in the rental housing that so many count on. We will make it easier for our young people to get those first keys of their own. And we will prevent foreign investors from parking their money in Canada by buying up homes.

One aspect of the Budget that has received less media attention, but I know is on the minds of many in North Vancouver, is reducing the deficit. The federal government remains committed to unwinding COVID-19-related deficits and implementing a fiscal plan that ensures federal debt remains on a downward track as a share of the economy, bringing its share of the economy back to pre-pandemic levels and ensuring a budget that is very close to balanced within five years.

Our overall fiscal strategy is to focus on building a stronger and more resilient economy that will enable long-term fiscal sustainability.

Perspective is helpful here. Canada continues to have the lowest net debt-to-GDP ratio in the G7 and the second-lowest deficit as a per cent of GDP among these same countries.

Inflation, Russia's invasion of Ukraine, worker shortages, snarled supply chains – the list of serious challenges ahead remains grim. Yet, as my pause to reflect on Budget 2022 suggests, Canada is well positioned to meet those challenges.

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