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Députée de / Member of Parliament for

Pontiac



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A FISCALLY PRUDENT BUDGET TO MAKE LIFE MORE AFFORDABLE FOR CANADIANS

The Member of Parliament for Pontiac, Sophie Chatel, wishes to highlight the prudent and fiscally responsible federal budget tabled by the Minister of Finance, and Deputy Prime Minister, the Honourable Chrystia Freeland. The 2022 budget comes at a time when the economy is rebounding from the pandemic. Economic growth is important because it raises and improves the standard of living for Canadians. However, in the context of climate change, technological innovation and a rapidly evolving global economy, Canada's economic success is not guaranteed, and requires focused and concerted action. That is why Budget 2022 invests in housing, innovation and facilitating a green transition. The government's efforts to stimulate economic growth, create jobs in sectors of the future and facilitate the transition to a green and technological economy is the best way to make life more affordable for years to come. As Chair of the Rural Liberal Caucus, MP Chatel is very pleased to find several recommendations from our Caucus in the Budget.

MAKING LIFE MORE AFFORDABLE DESPITE A GLOBAL INFLATIONARY ENVIRONMENT

Growing the economy and creating good jobs for economic prosperity

It is important to note that Canada is in a very strong economic position. Canada is experiencing the strongest labour market recovery among G7 countries, having regained 3 million jobs, or 112% of the jobs lost since the peak of the pandemic. The unemployment rate is now 5.5%, close to the 5.4% rate in 2019, the best in five decades. Throughout the pandemic, our net debt to GDP ratio has been the lower than our G7 partners, and this ratio will steadily decline over the next 5 years. The health of our economy, and the availability of good jobs, are critical for Canadian prosperity.

Accelerate the Construction of New Housing

Without housing, families fall into poverty and homelessness, new talent doesn't settle in Canada, students in rural Canada and remote communities struggle to access education, while workers cannot take new jobs. Budget 2022 provides \$4 billion over five years to the Canada Mortgage and Housing Corporation to create a housing accelerator designed to build an additional 100,000 new homes every year. This fund will be designed to be responsive to the needs and realities of cities and municipalities by providing financial and logistical support to smooth their processes for planning and constructing housing. The federal government also ensures that the program considers the needs of small and rural communities that are growing rapidly.

Facilitating Market Access for First-Time Home Buyers

Also, to make first-time home ownership more accessible, the 2022 budget proposes to introduce the First-Time Homebuyers' Tax-Free Savings Account, which would enable first-time homebuyers the opportunity to save up to \$40,000. As a registered retirement savings plan, contributions would be tax deductible, and withdrawals for first-time homebuyers would be tax-free, as is currently the case with the Tax-Free Savings Account. Finally, the amount of the first-time homebuyers' tax credit will be doubled to \$10,000.

A National Childcare System

An affordable, high-quality childcare system is not just good social policy: it is smart economic policy. It will grow the economy by getting more women into the workforce and giving every Canadian child the best possible start in life. To that end, Budget 2022 proposes to invest \$625 million over four years to establish an Early Learning and Child Care Development Fund. In Quebec, this new funding will be part of an asymmetrical agreement that will allow Quebec to further improve its childcare system.

Indexation of Government Benefits

In order to maintain the purchasing power of families and seniors, many government benefits are already adjusted for inflation. This is the case for the Canada Child Allowance and the Goods and Services Tax Credit. Similarly, seniors need not worry, as the Old Age Security pension, and the Guaranteed Income Supplement, are also indexed to the Consumer Price Index on a quarterly basis. Finally, starting in July, the Old Age Security pension will be increased by 10% for seniors aged 75 and over.

STRATEGIC INVESTMENTS IN THE CONTEXT OF RAPID CLIMATIC, TECHNOLOGICAL AND GEOPOLITICAL CHANGE

Building Out a Network of Charging Stations for Zero-Emission Vehicles

As more and more Canadians adopt zero-emission vehicles (ZEVs), the government needs to build out a charging network that drivers can rely on, no matter where they go. For example, the Infrastructure Bank of Canada will invest \$500 million in large-scale urban and commercial ZEV charging and refuelling infrastructure, while the federal government will invest \$400 million over five years in the Zero Emission Vehicle Infrastructure Program (ZEV I) to fund the deployment of ZEV charging infrastructure in suburban and rural communities. Finally, eligibility for the Zero Emission Vehicle Incentive program will be expanded to support the purchase of more vehicle models, including vans, trucks and sport utility vehicles (SUVs), which will help make ZEVs more affordable.

Climate Change Support for the Agricultural Sector and Interprovincial Trade

Farmers across the country are experiencing the effects of climate change, such as floods and droughts, and are already at the forefront of adopting climate-friendly practices, such as precision farming technology and limited tillage farming. These technologies can help reduce emissions and save farmers time and money. The 2022 budget proposes to provide an additional \$329.4 million over six years to the Clean Agriculture Technology Program. Also, the 2022 budget proposes an investment of \$469.5 million over six years to expand the Farm Climate Solutions on-Farm Climate Action Fund, as well as providing \$100 million over six years to the federal granting councils to support post-secondary research in the development of technologies and crop varieties that will facilitate carbon neutral agriculture.

Canada could increase its gross domestic product per capita by 4% with full liberalization of interprovincial trade in goods. The federal government is committed to continuing its leadership in terms of reducing barriers to domestic trade and labour mobility and will take further steps to conclude ongoing internal trade negotiations.

Supporting Outdoor and Aboriginal Tourism

The tourism sector continues to be a source of employment, and a key economic driver, especially for youth and rural Canadians. To continue to support the tourism sector, the government plans to develop a new federal post-pandemic tourism growth strategy that will set a pathway for future investment and ensure the industry's stability. The 2022 budget proposes to provide \$55 million over five years to the Trans Canada Trail, the world's longest recreational trail system, which is accessible in the Pontiac riding. As well, Budget

2022 proposes to provide \$20 million over the next two years to support a new Aboriginal Tourism Business Fund that will help position the industry for long-term sustainable growth, as well as \$4.8 million over two years to the Aboriginal Tourism Association of Canada, to support its operations.

Improving the Temporary Foreign Worker Program

The Temporary Foreign Worker program is essential to allow our businesses in rural communities to grow and prosper, and especially the agriculture and other food processing sectors. Budget 2022 proposes several measures to reduce administrative burdens for trusted repeat employers who meet the highest standards for working and living conditions, protections, and wages, and to ensure employers can quickly bring in workers to fill short-term labour market gaps.

Enhancing Canada's Military Capabilities

Russia's invasion of Ukraine has fundamentally shifted the geopolitical landscape and Canada needs to invest to strengthen the capacity of the Canadian Forces to meet future threats. Budget 2022 proposes \$6.1 billion over five years for the Department of National Defence to address long-term priorities as well as to enhance our immediate military capabilities.

Effective Management of Taxpayers' Money

The government remains focused on the prudent and responsible management of public finances. We must therefore ensure that Canadian taxpayers' money is used effectively and that public programs produce the expected results. To support these efforts, Budget 2022 announces the launch of a comprehensive review of strategic policies, such as improving digital service delivery. These efforts would target savings of \$6 billion over five years.

For more information on the 2022 budget, please visit <https://bit.ly/36Vl9YV>.