

Federal Budget 2022-2023 Highlights and reactions

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MUNISCOPE

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Budget 2022 Brief

On April 7, 2022 Finance Minister Chrystia Freeland tabled the Government of Canada's 2022 budget titled <u>A Plan to Grow Our Economy and Make Life More Affordable</u>. The budget is projecting a \$7.4 billion in new spending next year. The budget indicates that the deficit for 2021-2022 is \$113.8 billion which is less than the earlier predictions of \$144.5 billion. The federal debt-to-GDP ratio is projected to be 41.5 per cent and the deficit is expected to be 0.3 per cent by 2026-2027.

Housing

- Incentivize cities to build more homes and create denser, more sustainable neighbourhoods to increase housing supply;
- The Federal Government proposes to invest \$4 billion over five years, starting in 2022-2023 to launch a new Housing Accelerator Fund. The fund will be designed to be flexible to the needs and realities of cities and communities, and could include support such as an annual per-door incentive for municipalities, or upfront funding for investments in municipal housing planning and delivery processes that will speed up housing development. The Housing Accelerator Fund will have a flexible single application system, and will still allow municipalities to access other related programs.
- \$1.5 billion over two years, starting in 2022-23, to extend the Rapid Housing Initiative.
- Multigenerational Home Renovation Tax Credit, which would provide up to \$7,500 in support for constructing a secondary suite for a senior or an adult with a disability, starting in 2023.
- Tax-Free First Home Savings Account that would give prospective first-time home buyers the ability to save up to \$40,000.
- Double the First-Time Home Buyers' Tax Credit amount to \$10,000, providing up to \$1,500 in direct support to home buyers.
- any person who sells a property they have held for less than 12 months would be subject to full taxation on their profits as business income, applying to residential properties sold on or after January 1, 2023.
- Restrictions that would prohibit foreign commercial enterprises and people who are not Canadian citizens or permanent residents from acquiring non-recreational, residential property in Canada for a period of two years.
- Doubling support provided through the First Time Home Buyers' Tax Credit from \$750 to \$1,500.
- Introducing a Multigenerational Home Renovation Tax Credit, which provides up to \$7,500 in support for constructing a secondary suite.
- \$475 million in 2022-23 to provide a one-time, \$500 payment to those facing housing affordability challenge.

Transit/Housing:

• [Previously announced] \$750 million to support municipalities as they address their public transit shortfalls. The proposed funding will be conditional on provincial and territorial governments committing to match the federal contribution and to accelerate their work with their municipalities to build more homes.

Infrastructure:

- Budget 2022 signals the government's intention to accelerate the deadline for provinces to
 fully commit their remaining funding under the Investing in Canada Infrastructure Program
 to priority projects to March 31, 2023. any uncommitted funds after this date will be
 reallocated to other priorities. The federal government will work closely with provinces to
 support them in expediting project submissions. The existing deadline of March 31, 2025 will
 remain unchanged for the territories.
- Extend the Investing in Canada Infrastructure Program's construction deadline from October 2027 to October 2033.

Climate:

- \$1.7 billion over five years to extend the Incentives for Zero-Emission Vehicles program.
- \$547.5 million over four years to launch a new purchase incentive program for medium- and heavy-duty ZEV.
- Funding to build a national network of electric vehicle charging stations (Estimated investment was not provided).
- \$250 million over four years to support pre-development activities of clean electricity projects of national significance, such as inter-provincial electricity transmission projects and Small Modular Reactors.
- \$600 million over seven years for the Smart Renewables and Electrification Pathways Program.
- \$25 million to establish Regional Strategic Initiatives to work with provinces, territories, and relevant stakeholders to develop net-zero energy plans.

Rural Development:

- \$3.8 billion over eight years to launch Canada's first Critical Minerals Strategy, which will create jobs in rural communities across Canada.
- \$346.1 million to train 1,000 fire fighters and provide them with new equipment and \$169.9 million to create a new wildfire satellite monitoring system.
- \$55 million to maintain and enhance the Trans Canada Trail.

Food Policy:

 Over the next year, the Minister of Agriculture and Agri-Food and the Minister of Families, Children and Social Development will work with provinces, territories, municipalities, Indigenous partners, and stakeholders to develop a National School Food Policy and to explore how more Canadian children can receive nutritious food at school.

<u>Indigenous communities:</u>

- \$11 billion over six years to continue to support Indigenous children and families, and to help Indigenous communities continue to grow and shape their futures.
- \$4.7 billion to support communities as they cope with their past and build a future where Indigenous children can thrive.
- Bolstered by previous investments, Budget 2022 seeks to shore up the foundations necessary
 for healthy communities, including housing and clean drinking water. It also seeks to address
 ongoing health and mental wellness challenges by ensuring continued access to culturally-

appropriate services that meet the unique needs of Indigenous peoples and communities. Proposed investments will also strengthen First Nations control over elementary and secondary education on reserve [Estimated funding figures were not provided for this measure].

- \$398 million over two years, starting in 2022-23, to Indigenous Services Canada to support community infrastructure on reserve, of which at least \$247 million will be directed toward water and wastewater infrastructure.
- \$173.2 million over ten years, starting in 2022-23, to support the transfer of water and wastewater services in 17 communities to the Atlantic First Nations Water Authority.
- \$162.6 million over three years, starting in 2022-23, to enable the completion of required infrastructure with respect to the Lubicon Lake Band settlement agreement.
- \$2.4 billion over five years to support First Nations housing on reserves.
- \$565 million over five years to support housing in First Nations Self-Governing and Modern Treaty Holders communities.
- \$845 million over seven years to support housing in Inuit communities.
- \$190 million over seven years for housing in Métis communities.
- \$65.8 million over five years, starting in 2022-23, and \$11 million ongoing, to Justice Canada and Natural Resources Canada to accelerate work to meet legislated requirements, including the co-development of an action plan with Indigenous partners [Implementation of the United Nations Declaration on the Rights of Indigenous Peoples Act].
- \$9.5 million over five years, starting in 2022-23, to the Department of National Defence to align its operations and engagement with Indigenous peoples with the Act.

Reference

Government of Canada. Budget 2022. <u>A Plan to Grow Our Economy and Make Life More Affordable</u>

Reactions

Provincial and Territorial Governments

PT Governments	Reactions
British Columbia Globe and Mail	 B.C. Finance Minister Selina Robinson said British Columbia was also hoping for a shift by Ottawa to contribute more to health care transfers to the provinces but said "on the surface" the housing affordability measures will be welcome. "All the premiers right across the nation have talked about the need for the federal government to more fully participate in health care transfers. We were hoping for more," she told reporters in Victoria, adding that she understood Ottawa was committed to dialogue.
Saskatchewan 650 CKOM	 Premier Scott Moe said the budget didn't create incentives to stimulate the economy to pay for the federal government's programs. It also didn't meet Saskatchewan's expectations, notably in the energy sector. "While it appears federal NDP and Liberal priorities have been addressed, this budget misses the mark for provincial priorities when it comes to the Canada Health Transfer and initiatives for the energy sector, like enhanced oil recovery and a concrete plan for carbon capture utilization and storage," "The Trudeau government had an opportunity to make a clear commitment to North American energy independence, but of course, that's something we will never see in an NDP-Liberal budget."
Ontario The Star	 Ontario's housing minister is hailing the federal budget as a big help in easing the affordability crisis that has seen home prices soaring out of reach for many people. The \$10.2 billion in funding to build more affordable homes and help people finance their first homes through a tax-protected saving program is "significant," Municipal Affairs and Housing Minister Steve Clark said Thursday. "I'm hoping the funds will fit together with each other and we're able to build upon the work that our government is doing here in Ontario the housing supply crisis needs long-term coordinations of government."
Québec	 "Le budget présenté cet après-midi pose des gestes dans plusieurs dossiers importants mais nous déplorons l'absence d'augmentation des transferts en santé. Notre demande répétée est claire et le gouvernement fédéral doit y répondre le plus rapidement possible ». (Eric Girard, Ministre des Finances).
Nova Scotia Saltwire	 Premier Tim Houston welcomed the federal government's "recognition" that initiatives are needed on housing in the federal budget released on Thursday but said it's not enough. Speaking to reporters in Halifax early Thursday evening, said there's no immediate relief for Nova Scotians in what was announced.

 "There's some good stuff - the savings plan stuff is good (in) a bit longer term, for sure - but here's what I would say: the recognition
of the federal government on the housing file is a good start because that does open the door, then, for us. It puts the onus back on the provinces to come up with ideas and to advance proposals to them and I have every reason to believe that they would be receptive to those types of things." • Houston said his government is very focused on housing and affordability, so any kind of programs to put money toward the construction of new homes would have been welcome.
 Premier Dennis King - "I would like to congratulate Deputy Prime Minister and Minister of Finance, Chrystia Freeland for introducing the 2022-2023 federal budget earlier today. The budget aligns with the priorities of our government including supporting our agriculture sector, investing in health human resources, creating additional housing opportunities, and developing a clean technology sector in Canada. After many months and numerous conversations with the Prime Minister and other senior ministers, we are pleased to see \$16 Million earmarked in the Jobs and Growth Fund through the Atlantic Canada Opportunities Agency to support long-term investments and assist in stabilizing the potato sector and supply chain. We are also pleased to see that our request to expedite the soil sampling in fields across the province will be expedited with \$12 Million allocated through CFIA to increase the resources required to complete sampling as soon as possible."

Municipal Associations

Municipal Associations	Reactions
FCM	 "FCM welcomes today's investment to scale up the Rapid Housing Initiative (RHI) as well as the two-year extension of additional funding through the Reaching Home initiative. The RHI has been a genuine success, and we'll continue to advocate for growing it into a long-term tool to eradicate chronic homelessness. There remains a significant need to co-develop an adequately funded Indigenous housing strategy, in partnership with Indigenous housing providers. This is critical for Indigenous households in urban, rural and Northern communities. "Committing to improve the Rental Construction Financing Initiative and National Housing Co-Investment Fund is a welcome move. It means more affordable rental supply for more Canadians, in direct response to calls from local leaders. This is a critical component to expanding housing supply options for all Canadians. "Municipalities are also on the frontlines of new climate extremes. New investments in this budget in electric vehicle charging infrastructure, building retrofits and nature-based solutions provide

	municipalities with tools to take local action on climate change. FCM welcomed the federal government's recent recognition in the Emissions Reduction Plan that municipalities are critical to achieving Canada's 2030 emission goals."
Union des municipalités du Québec (UMQ)	 L'Union des municipalités du Québec (UMQ) accueille positivement plusieurs mesures du budget fédéral 2022-2023. l'Union est particulièrement satisfaite des sommes annoncées afin de répondre à la pénurie de logement, soit 1,5 milliard \$ sur deux ans pour prolonger l'Initiative canadienne pour la création rapide de logements (ICRL), ainsi que 4 milliards \$ sur cinq ans pour créer un nouveau fonds permettant d'accélérer la construction de logements. Aussi, l'UMQ se réjouit de l'accélération du déploiement des sommes prévues dans le cadre du Fonds national de co-investissement, deux ans plus tôt que prévu. l'UMQ est satisfaite des 9,1 milliards \$ confirmés dans le budget pour réaliser le Plan de réduction des émissions pour 2030. Enfin, l'UMQ juge particulièrement intéressantes les deux mesures suivantes :
	lutter contre l'itinérance;
	625 millions \$ sur quatre ans à compter de 2023-2024 en services de garde, pour construire notamment de nouvelles installations. Une entente asymétrique est prévue avec le Québec à ce chapitre.
	L'UMQ se montre déçue cependant que le plan budgétaire ne prévoie aucun investissement additionnel pour certains dossiers stratégiques prioritaires pour le milieu municipal, notamment les infrastructures récréatives et sportives et le transport aérien.

Municipalities

Municipalities	Reactions
Edmonton	Mayor Amarjeet Sohi, reacting to Thursday's budget release, said
Edmonton Journal	he's pleased to see commitments in two areas he's been lobbying
	the federal government for action and investment.
	"We wait for the details, but broadly, overall I'm pleased with these
	two initiatives which will allow us to attract billions (of dollars) of
	investment into carbon capture storage utilization, billions of dollars
	of investment into hydrogen, reduce emissions, create jobs, and
	help in the energy transition," he told media Thursday.
	Sohi said the affordable housing commitments, including funds for
	rapid housing, are good things for the city and these efforts will help
	work toward ending houselessness. He said the city has been a

	 leader in partnering with the Government of Canada and there are already plans to have 500 supportive housing units built this year. "Affordability is becoming a real concern for a large number of Canadians, including a large number of Edmontonians. Not only housing but many other aspects of the expenses that people have to pay for on a daily basis, " he said. He's also glad to see the attention toward reconciliation. "This is an incredibly important issue that deserves to be funded in a meaningful way." But he does think the federal government could have gone further in some areas. For one, Sohi would have liked more investment in energy retrofitting for both municipalities and the private sector.
Calgary Herald	 The federal government's 2022 budget includes some boosts to Calgary, including the creation of more affordable housing units, said Mayor Jyoti Gondek. Gondek said she expects the budget will help address the "critical need" for more affordable housing. "We have seen tremendous success with this type of initiative and the way that the budget flows, so we're pretty happy," Gondek said. "Overall, there's potentially a lot of good news for Calgary, but the details are slim and we need to remain vigilant in our advocacy to get our fair share." But she said the city was disappointed by a lack of funding for the city's downtown, saying that while some sectors central to Calgary's core saw investments, "that doesn't help cities themselves deliver on important infrastructure that's needed for downtown strengthening and revitalization."
Barrie Barrie Today	 Acting Mayor Barry Ward told BarrieToday that nothing in Thursday's budget announcement came as a surprise, adding the "proof will be in the pudding" as to whether or not the city will see much of the announced funding. "Certainly, there's been federal money available for housing for a long time; our problem has been Barrie has gotten very little of it," Ward said. "We've gotten some of it — for example, the eight-storey building you now see under construction on Dunlop Street West that has federal CMHC money to help keep it affordable. "There just hasn't been enough of it. I guess it doesn't matter how much money is promised by the federal government, we just actually need to see some of it come to Barrie before we know if it's a success or not," he added. Many of the items announced in the budget, Ward added, won't actually have much impact on the city. "They announced money to speed up the process, and I don't think that's a problem with Barrie. We just passed a new Official Plan and are working on a new zoning bylaw which we've got money from the province (for). Those are well underway and we've done a pretty good job keeping our bylaws up to date and allowing in-fill housing to make it more affordable, (so) we are actually ahead of the curve on that one."

	 Regarding the announcement for investment in the Canadian Infrastructure Bank "Hopefully there will be something of that for municipalities, too," Ward said. "Part of our climate-change plan is to concern our fleet to electric wherever possible, everything from parks vehicles to city buses so anything in there that will help the city do that faster will certainly help us meet our climate goal targets."
Vancouver Globe and Mail	 Mayor Kennedy Stewart issued a statement calling the document a "landmark budget" that would help make life more affordable for Canadians. "Truly moving the needle on housing will require all levels of government working together to build the homes we need," the mayor's statement said.
Toronto Globe and Mail	 Toronto Mayor John Tory said the budget's moves to boost housing supply should help reduce home prices, and its cash for affordable housing and homelessness initiatives was also welcomed. But he said he looked forward to seeing more details about the \$4-billion housing accelerator fund. He also said he would continue to push for additional financial aid for cities such as his facing massive COVID-related shortfalls. "We are determined to keep these discussions going to protect needed infrastructure improvements, many of which support the creation of new housing, create jobs and build our economy," Mr. Tory said.
Halifax Globe and Mail	 Halifax Mayor Mike Savage, who is chair of the Federation of Canadian Municipalities' Big City Mayors' Caucus, said the budget could make a meaningful difference to the housing situation. He lauded it for acknowledging the scale of the housing challenge and recognizing municipalities "are a serious partner" in addressing it. "These are extraordinary times. We need to build housing," he said. "The problem isn't going to go away any time soon and I think bold action is needed and I see a lot of that in the budget."
Ottawa Ottawa Citizen	 Coun. Scott Moffatt, co-chair of the city's planning committee, said the three levels of government should be on the same page on ideas for municipal land-use planning. "You'd like to think the federal government would speak to municipalities before making undefined commitments regarding our permitting process," Moffatt said. "On that, I'm not entirely convinced money is the key factor keeping the city from processing applications more quickly." "You cannot rush building code compliance as a means to achieve more affordable housing," Moffatt said.
Winnipeg CTV	Mayor Brian Bowman said in a statement that he is happy to see affordable housing investments, but he said making the doubling of the gas tax revenue permanent and new money for transit was missing from the budget.

<u>Hamilton</u>	Mayor Fred Eisenberger - "I am encouraged by the budget and its priorities to tackle housing, homelessness, and climate change. I particularly appreciate the new measures to address homeless military veterans. These are all issues that are important to Hamiltonians."
Mississauga	Mayor Bonnie Crombie – "Some great new investments in the (2022 Budget), including those that help make it easier to buy a home, dental program for kids under 12, and targeted investments to grow low-carbon sector & help transition to net-zero. Looking forward to learning more about supports for cities."
Montréal, QC	 « Nous saluons le budget fédéral axé sur le logement et l'abordabilité. Nous aurions toutefois souhaité que la même importance soit accordée à la transition écologique ». « Les mesures touchant l'habitation répondent à un besoin criant vécu par les Montréalaises et Montréalais. L'aide au logement abordable et la mesure pour limiter les «flips immobiliers» étaient nécessaires ». « En environnement, nous saluons l'appui financier pour l'arrivée du bureau de l'ISSB à MTL. Malgré les investissements pour accélérer l'électrification des transports, nous aurions souhaité voir un engagement plus concret pour lutter contre les changements climatiques ». « Nous souhaitions également que le gouvernement s'engage clairement à lutter contre la prolifération des armes à feu au pays grâce à de nouveaux investissements. C'est une déception pour Montréal, qui a investi 7,4 M\$ en prévention de la violence en 2022 » (Mairesse Valérie Plante).

Organizations

Organizations	Reactions
Canadian Centre for Policy Alternatives (CCPA)	 "The federal government is definitely back into the housing game—and that's good news—but there's room to go bolder and do more for tenant families," says CCPA-Ontario Senior Researcher Ricardo Tranjan. "This is yet another budget without measures to curb the financialization of housing. By this time next year, even more homes will be owned by speculators rather than by working families. We need to move faster on this front," Tranjan says. "The extension of the Rapid Housing Initiative is positive, but why not make it permanent? We won't solve the housing question with piecemeal, year by year commitments. More money going to cooperative housing is also good news; non-for-profit housing is the best and only long-term solution for housing affordability," says Tranjan.

	"Electric cars are one piece of the climate puzzle," says CCPA Senior
	Researcher Hadrian Mertins-Kirkwood, "but we need to go bolder if we're going to reach net-zero emissions by 2050. New tax breaks for carbon capture technology are yet another subsidy to fossil fuel companies—which declared \$34 billion in profits in 2021—at exactly the time when we should be actively winding down oil and gas production."
Canadian Federation of Independent Business (CFIB)	The Canadian Federation of Independent Business (CFIB) is disappointed that today's federal budget doesn't include measures to help small businesses' post-pandemic recovery. Small businesses continue to struggle after an extremely difficult two years and now face a host of higher costs and a mountain of COVID-related debt.
Canadian Union of Public Employees (CUPE) -EN	 "Working people in Canada need a budget that works for them, and we're disappointed to see this one fail to deliver on public services like health care and child care, and the dedicated workers who deliver them in our communities," said CUPE National President Mark Hancock. Hancock says CUPE is pleased to see some of the commitments on dental care and housing from the NDP-Liberal agreement reflected in today's budget. While CUPE is happy to see investments in housing, it is disappointed that the Trudeau government continues to resist calls from the provinces, health advocates and unions to significantly expand support for public health care services in the wake of the pandemic.
Le Front d'action populaire en réaménagement urbain (FRAPRU)	 Même s'il consacre 10 milliards \$ en cinq ans à l'habitation, le budget de la ministre des Finances, Chrystia Freeland, laisse le Front d'action populaire en réaménagement urbain (FRAPRU) sur sa faim. Il aurait, à son avis, été « préférable que le gouvernement concentre ses ressources sur la construction de logements sociaux, à caractère sans but lucratif, qui représentent la seule façon non seulement de réaliser en très grand nombre des logements locatifs vraiment abordables, mais aussi de s'assurer qu'ils le demeureront à long terme ».
Chambre de commerce du Canada	 « Les entreprises canadiennes viennent de vivre deux années sans précédent, caractérisées par plusieurs vagues d'une pandémie, une inflation qui a atteint son plus haut niveau en trente ans, des perturbations de la chaîne d'approvisionnement, des événements météorologiques extrêmes et des tensions géopolitiques. Dans ce contexte, il n'a jamais été aussi important pour le gouvernement fédéral de miser sur la croissance économique. Cette croissance économique doit être menée par le secteur privé. Bien que nos finances publiques aient été favorisées par des taux d'inflation et des prix de l'énergie plus élevés ainsi que par des taux d'intérêt bas, nous ne pouvons pas emprunter ou compter sur l'inflation pour assurer notre prospérité. Les dépenses fédérales doivent être à la fois responsables sur le plan fiscal et être affectées aux domaines où elles peuvent générer de véritables retombées économiques. Pour stimuler la croissance économique, il est impératif de faire appel à tous les outils à notre disposition, y

	compris les politiques fiscales, réglementaires, du travail et de
	l'infrastructure, afin d'attirer les investissements du secteur privé.
Le Front d'action populaire en réaménagement urbain (FRAPRU)	 Même s'il consacre 10 milliards \$ en cinq ans à l'habitation, le budget de la ministre des Finances, Chrystia Freeland, laisse le Front d'action populaire en réaménagement urbain (FRAPRU) sur sa faim. Il aurait, à son avis, été « préférable que le gouvernement concentre ses ressources sur la construction de logements sociaux, à caractère sans but lucratif, qui représentent la seule façon non seulement de réaliser en très grand nombre des logements locatifs vraiment abordables, mais aussi de s'assurer qu'ils le demeureront à long terme ».
Canadian Housing and Renewal Association	 The Canadian Housing and Renewal Association (CHRA) was pleased to see the federal government's focus on housing, but closer inspection of its specific measures raises concerns over how much new affordable housing will be built, particularly for urban and rural Indigenous peoples. The Budget was a significant disappointment with respect to urban, rural and northern Indigenous housing, allocating \$300 million over 5 years to co-develop and launch an Urban, Rural, and Northern Indigenous Housing Strategy. "CHRA is pleased that the federal government has recognized the extent of the housing crisis in Budget 2022", said Jeff Morrison, Executive Director of CHRA. "However, when you drill down, very few of the specific measures announced today will result in a significant increase in the supply of affordable housing, particularly for urban Indigenous peoples, which is what is desperately needed to address the housing crisis in Canada".
Canadian Chamber of Commerce	 "Canadian businesses have faced an unprecedented two years, characterized by a multi-wave pandemic, inflation that has reached a thirty-year high, supply chain disruptions, extreme weather events and geopolitical turmoil. Given these conditions, it has never been more important for the federal government to focus on economic growth. This economic growth must be private sector-led. While our public finances have benefitted from higher inflation rates and energy prices and low interest rates, we cannot borrow or inflate our way to prosperity. Federal spending needs to be both fiscally responsible and targeted at where it can generate genuine economic returns. Generating economic growth requires carefully using all the tools available, including tax, regulatory, labour and infrastructure policy to attract private sector investment
Public Service Alliance of Canada	 PSAC welcomes the government's investments in making life more affordable for Canadian workers and their families. The 2022 budget makes firm commitments to investment in dental care, housing and affordable child care infrastructure which PSAC has long been fighting for. However, it fails to deliver on creating a strong and resilient federal public service that Canadians can depend on when they need it most.

The government has buried more than \$9 billion in potential cuts as part of a concerning "Strategic Policy Review" that plans to save costs by examining the effectiveness of government programs and operations. This could have a real impact on the public services Canadians rely on, and could ultimately lead to public service job "The government is trying to frame this review as a way to find savings in the wake of the pandemic," said Chris Aylward, PSAC national president. "But we have serious concerns, and will be keeping a close eye on the implementation to make sure that public service workers aren't paying the price of these so-called savings, through job cuts and austerity." Canadian Taxpayers "Freeland is giving taxpayers another credit card budget with no plan Federation to pay the bills on time and chip away at the \$1-trillion debt," said Franco Terrazzano, Federal Director of the CTF. "Freeland is taking the wait-and-see approach to the government's credit card bills and hoping the economy can grow faster than its borrowing, but that's not a good bet with its track record of runaway spending." "Interest charges on the government's credit card is costing taxpayers more than \$2 billion every month," said Terrazzano. "Every month taxpayers pay more in federal debt interest charges than the Alberta government spends on health care." "The government is talking about making life more affordable, but people are struggling to fill their cars with gasoline and pay for ground beef at the grocery store because Ottawa is spending like crazy and raising taxes," said Terrazzano. "Trying to ease inflation with more government debt is like trying to put out a fire with gasoline. "Freeland should lower taxes and end the runaway spending to make life more affordable." Climate Action Network Today's budget is the latest in a recent slew of inadequate and dangerous climate decisions. The Emissions Reduction Plan released last week, which projects a 56% increase in oil sands emissions this decade, and yesterday's decision to approve the Bay du Nord project, which could produce 1 billion barrels of oil over its lifetime, show that the federal government still has not grasped that fossil fuel production is incompatible with climate leadership. Eddy Pérez, International Climate Diplomacy Manager, Climate Action Network - Réseau action climat Canada: "This budget is a failed attempt to respond to the urgency of the moment. The climate and energy security crises require a vision and a transition plan that prioritize the needs of people and communities everywhere. Today, Minister Freeland has announced that Canada still intends to keep the fossil fuel industry in the driver's seat by giving them expensive tax credits instead of using those funds to invest in a safe, sustainable future." Fraser Institute In this year's budget, the Trudeau government has once again failed to demonstrate fiscal prudence, opting to spend almost all the

windfall in revenues rather than showing restraint and moving
towards a balanced budget. In sum, the fiscal plan in Budget 2022
is shortsighted and represents a wasted opportunity to get federal
finances back on track.

Media

Media	Reactions
La Presse (1)	 Si l'on se fie au budget, le problème économique de l'heure – l'excès d'inflation – disparaîtra dès l'an prochain. Et les taux d'intérêt grimperont somme toute assez peu. Pouf, disparu, l'irritant majeur! Le budget de l'an dernier prévoyait exactement le même effet transitoire, qui ne s'est finalement pas confirmé. On voyait l'inflation à 2,2 % en 2021, mais la hausse de l'IPC a plutôt été de 3,4 %, en moyenne.
La Presse (2)	 Sans surprise, le budget Freeland ne prévoit pas de hausse des transferts en santé. Mais en le lisant, on comprend que l'horloge joue contre les provinces. Plus le temps passe, plus les dépenses récurrentes s'ajouteront aux finances d'Ottawa. Il restera donc moins d'argent à partager. Analysées individuellement, les nouvelles dépenses peuvent paraître justifiées. On peut aussi soutenir qu'elles ne dépassent pas la capacité de payer du Canada. Après tout, le ratio dette-PIB baissera avec le temps. Mais au Canada, on ne peut pas s'arrêter à une analyse strictement économique des finances publiques. Le dossier est indissociable de la vision du fédéralisme. Les dépenses d'Ottawa doivent être évaluées en fonction des champs de compétence et des relations entre le fédéral et les provinces. Pour l'instant, le Conseil de la fédération fait front commun. La complexe négociation à venir sur le régime national d'assurance médicaments pourrait toutefois changer les choses. Elle risque d'ouvrir la porte à des concessions avec les provinces intéressées par un tel régime. Et ça, c'est sans compter l'effet du contexte économique mondial sur les finances du fédéral.
Le Devoir	 Contrairement à ce qu'on pouvait attendre, le budget n'a pas viré orange : il n'est pas trop marqué par l'entente entre les libéraux et les néodémocrates. Certes, Ottawa met en œuvre un nouveau programme de remboursement des soins dentaires. Doté d'une enveloppe de 5,3 milliards en cinq ans, le programme est ciblé et relativement modeste.

	 La force de l'économie et l'effet de l'inflation ont permis de réduire le déficit prévu lors de la mise à jour de 2021. Le gouvernement Trudeau poursuit sa stratégie de diminuer la dette de l'État par rapport à la taille de l'économie et dans cinq ans, il parviendra presque à l'équilibre budgétaire. Il aurait pu inscrire un déficit nul en 2026-2027, mais il faut croire qu'il y est allergique. Et il est vrai qu'il y a un élément qui manque à ce budget : un relèvement permanent du financement fédéral en santé. Espérons que ce n'est que partie remise.
Le Journal de Québec/Montréal (1)	 Surprise! Contrairement à ce que nombre d'observateurs anticipaient, dont moi-même, le gouvernement minoritaire de Justin Trudeau ne va pas dépenser la totalité des revenus supplémentaires que la solide croissance économique et les surtaxes bancaires lui rapporteront au cours des cinq prochaines années. En incluant les « interventions stratégiques » annoncées en décembre dernier et les nouvelles mesures contenues dans le budget 2022-2023 d'hier, le gouvernement Trudeau va dépenser lors des cinq prochaines années quelque 29,6 milliards de plus que le montant des dépenses prévues lors de cette mise à jour. Résultat? Les prochains déficits annuels s'annoncent moins élevés que les montants anticipés il y a quelques mois. On parle ici d'une diminution « globale » de quelque 19,8 milliards \$ pour les cinq prochains exercices.
Le Journal de Québec/Montréal (2)	 Après deux ans d'une pandémie persistante, la ministre le dit «prudent» et «fiscalement responsable». La vision qui s'en dégage n'en reste pas moins résolument sociale-démocrate. Surtout, en se rapprochant du NPD pour assurer la survie de son gouvernement en Chambre, Justin Trudeau en profite aussi pour bonifier son propre héritage politique. Quant à Jagmeet Singh, il aura contribué au mieux-être de la société canadienne. Pour un chef d'opposition, l'exploit est des plus honorables.
The Toronto Star	 Finance Minister Chrystia Freeland's second budget manages to be optimistic about the near future, while being decidedly sour on Canada's longer-term prospects. But it also has the merit of being grounded in facts. Fears about the short-term prospects for the country are almost certainly exaggerated, but there are solid reasons to worry about how we're going to fare beyond that. In the shorter term, fears that the Trudeau Liberals are on a crazy spending jag without limits should be put to rest. The problem there is the country's chronic low rates of investment, which result in low productivity and slow growth. If we can't figure that out, Canada won't have the resources to pay for all the fine social programs we want, not next year or the year after that, but in a decade or two.

	 To tackle this, the government is setting up two new agencies to promote investment and innovation. And it's pointing the finger at Canadian business, which for many years has come up way short in investing for the future. Freeland acknowledges that banging on about the need for innovation is one of those issues that makes eyes glaze over. But reversing Canada's failure to invest at the levels needed to ensure future prosperity is vital. More on that in the days ahead.
The Globe and Mail	 Ms. Freeland's second budget amounts to an exercise in self-restraint for a Liberal government typically bent on finding any excuse to spend more. There are still some questionable new expenditures, including those aimed at "helping" first-time home buyers. But, overall, this is a wait-and-see budget. A protracted conflict in Ukraine or even faster-than-anticipated interest rate increases could tip the global economy into a recession. And this budget leaves out hefty big-ticket items that the Liberals have already promised, including pharmacare (to the NDP) and billions of dollars in new defence spending (to Canada's NATO partners). As for another major gripe levelled at Ms. Freeland by business leaders – that Ottawa has no strategy for boosting Canada's long-term growth potential – the budget is a disappointment. Amid the war in Ukraine, Ms. Freeland's budget amounts to a missed opportunity to position Canada as the world's most responsible provider of the natural resources the planet needs now, and those that it will increasingly need in the future, to transition to a low-carbon economy. The Liberals are still constrained by their unwillingness to embrace Canada's strengths. And that only makes the country weaker.
The National Post	 Chrystia Freeland, the finance minister, has apparently been spooked by geo-political uncertainties, stampeding inflation and evidence that the future standard of living of Canadians is under threat because of poor economic productivity. While there is no shortage of spending, it is often not on what the Liberals promised in the 2021 election platform, when it pledged \$78 billion in new "investments" in everything from CBC modernization (\$400 million) to long-term care reform (\$6.5 billion). Those measures are conspicuous by their absence, which is likely to make some voters unhappy. Officials noted a recent OECD report that ranked Canada dead last of all member countries in terms of long-term per capita growth potential. The budget pointed out that this country is pulling up the rear on business research and development, when compared to its G7 peers. "This trend has to change," it concluded. Freeland said Canada's productivity and innovation performance is its "Achilles heel." "It is time for Canada to tackle it," she said.

