

Check against delivery**Budget 2019: Investing in the Middle Class**

March 19, 2019

Thank you, Mr. Speaker.

Last week, I was back home in Toronto—where I had a chance to visit with some young people at the Boys and Girls Club in Regent Park.

It was March Break last week, so they were pretty focused on having fun, like kids their age should be.

But it was also clear to me from their questions, from their simple interactions, how much they cared about each other. About their community, and the world beyond it.

It was a good reminder of what's at stake—and of who is counting on us to get the big things right.

Today, I am happy to share our Government's fourth budget: **Investing in the Middle Class**.

The title should come as no surprise, Mr. Speaker, because investing in the middle class began with our first day in office ... and it's what we've been doing every single day since.

Investing in the middle class means good, well-paying jobs today, and the promise of a better future—even in a world filled with change.

It means building a better Canada—a stronger, more connected country.

It means delivering the real change that Canadians sent us here to do.

And alongside all of this is the most important relationship our country will ever have—the one with Indigenous Peoples.

As we look ahead, Mr. Speaker, I think it's worth spending a moment remembering where we came from.

When we came into government in the fall of 2015, unemployment was stubbornly high, wages were stagnant, and consumer confidence in decline.

Those are the facts, Mr. Speaker.



When the time came to make a choice about what kind of country they wanted to raise their families in, and grow older in, and leave to their children and grandchildren, Canadians chose a positive approach.

One that was confident, and ambitious. One that would invest in the middle class and offer real help to people working hard to join it.

And that's exactly what our Government has done—year after year, budget after budget.

One of the very first things we did as a government was ask the wealthiest one per cent to pay a little bit more, so that we could cut taxes for the middle class.

And then, with our first budget in 2016, we got rid of the old system that sent child benefit cheques to millionaires, and introduced the new Canada Child Benefit, to help more families with the high cost of raising kids.

Thanks to these two measures alone, a typical middle class family of four is now \$2,000 better off every year, compared to the summer of 2015.

Let's think about what this has meant for Canadian children most in need of help.

In just two years, Mr. Speaker—between 2015 and 2017—the CCB helped lift close to 280,000 children out of poverty. That's 280,000 kids that now have a better start in life and a brighter future ahead of them.

But we didn't stop there, Mr. Speaker.

To help make our hometowns better places to live, we made significant and historic investments in infrastructure. More than 33,000 projects have been approved in the years since—the vast majority of them already underway and creating good, middle class jobs in communities right across the country.

To help students get ahead, we increased Canada Student Grants.

To help our most vulnerable seniors, we boosted the Guaranteed Income Supplement top-up.

To help Canadians feel more confident about the future, we strengthened the Canada Pension Plan—giving Canadian workers greater income security when it's their turn to retire.

To make it easier for small businesses to succeed and create more jobs, we cut taxes for small businesses—twice.

And to help protect the health of our planet, we put a price on pollution—and to make a cleaner economy more affordable for Canadians, we're giving back all the money we collect directly from the price on pollution. Every cent.

Mr. Speaker, these are just the highlights of three and a half years spent working hard, every day, to strengthen and grow the middle class, and make life more affordable for hard-working Canadian families.

And Mr. Speaker, compared to where we were just a few years ago, our economy is doing very well.

Since November 2015, hard-working Canadians have created more than 900,000 new jobs—most of them full-time.

In the last year alone, of all the new jobs created, more than half—54 per cent—went to Canada's talented, hard-working, ambitious women.

That's what can happen when you invest in the middle class, Mr. Speaker.

You get an unemployment rate at its lowest levels in more than 40 years ...

You get Canadian families who are \$2,000 better off this year—and every year—than they were back in 2015 ...

And you get a country where the middle class is strong and growing, with an economy that works for everyone—not just the wealthiest.

But we have to keep those strong numbers in perspective, Mr. Speaker.

If you are a young person still struggling to find meaningful work, a low unemployment rate probably doesn't mean that much. You just want a chance to make a decent living doing work that matters to you.

Or at the other end of the spectrum, maybe you're someone with a few decades of work experience, but you're worried that the good job you have today might not exist in another five or ten years. Good GDP numbers don't mean a lot when the job you need to feed your family is on the line.

There's a growing sense of uncertainty taking root around the world, Mr. Speaker, and Canada is not immune to those worries.

A good job, the ability to make ends meet, the chance to build a life that's at least as good as the one your parents had—that's what we all want, Mr. Speaker.

What we need is a concrete and responsible plan to address these very real concerns.

To build a strong country, and a strong economy. To give Canadians every chance at success.

On this point, our Government has been clear since Day One.

We're going to invest in the middle class and in the things that matter most to Canadians: good jobs, strong communities, a clean environment, and better opportunities for future generations.

We're going to work hard to build an economy that works for everyone, where every person has a real and fair chance at success.

And we're going to make these investments to grow our economy for the long term—while we bring the books back towards balance.

With this budget, Mr. Speaker, we are continuing with our proven and successful plan of investing in the middle class.

More than anything else, investing in the middle class means investing in people.

That means taking steps to ensure that more Canadians can afford a place to live that is safe and secure—a place they can be proud to call home.

It also means preparing for the challenges of today and tomorrow—helping people get the skills they need to find and keep a good job, or get the retraining that will help secure work for years to come.

It means ensuring that more Canadians have access to a secure and dignified retirement after a lifetime of hard work.

And it means making sure that people can afford the medication they need to stay healthy.

Budget 2019 addresses each of these concerns.

Mr. Speaker, when it comes to housing, we have heard from Canadians in communities of all sizes, including our largest cities, like Toronto and Vancouver.

They have told us that finding an affordable place to call home is not just a challenge.

For too many hard-working Canadians, especially for young people, it feels like an impossibility.

There aren't enough houses for people to buy, or apartments for people to rent. That makes finding a good place to live too expensive—beyond what many people can afford.

In this budget are measures to increase the supply of housing, because we know this is the most effective way to address affordability in the long run.

We will also take action to crack down on the people who break the rules—who evade taxes or use real estate for money laundering—making housing less affordable for the people who need it.

And to help more middle class families find an affordable home today, we are offering new, targeted support for first-time home buyers.

This includes increasing the RRSP Home Buyers' Plan withdrawal limit to \$35,000 from \$25,000, to reflect the realities of house prices today.

And it includes a new initiative, called the First-Time Home Buyer Incentive, which will allow eligible first-time home buyers to finance a portion of their home purchase through a shared equity mortgage with Canada Mortgage and Housing Corporation, or CMHC.

The Incentive would give eligible buyers a new source of funds that they can use to help keep their monthly costs lower.

If you want to buy a new condo for \$400,000, for example, you could use the Incentive to finance 10 per cent, or \$40,000. This extra money up front reduces the size of your insured mortgage, lowering your mortgage payments by more than \$225 a month, or more than \$2,700 per year.

That's real help for people who want to own their own home. For young people. For families. For Canadians who need just that little extra help to make their dream of owning a home a reality.

We've also heard from Canadian workers who are anxious about the changing world of work.

This includes young and unemployed people who need help getting into the job market.

And it also includes more experienced workers, who worry that their existing skills might not be enough for them to find and keep good jobs until it's time to retire, or who want new skills so that they can move up in their current jobs.

Our Government believes that Canadians at all stages in their working lives should have the opportunity to learn new skills to take control of their future.

To help working Canadians get these skills, we are introducing a new program: the Canada Training Benefit.

It's a personalized, portable benefit that will help people plan for—and get—the training they need.

It consists of a training credit that will give working Canadians \$250 every year to put toward the cost of future training—a credit that can add up to as much as \$5,000 over a career.

It also includes a training support benefit, operated through the Employment Insurance program. With this support, workers won't have to choose between their training needs and their family's needs. They can take the time they need to learn new skills, knowing they've got help to cover their living expenses.

And finally, we intend to move forward with leave provisions in conjunction with provinces and territories, so that workers can take the time they need for training, without worrying about losing their jobs.

Taken together, this means that working Canadians will get four weeks for training every four years—with up to \$1,000 to help pay for the training, income support to help cover lost income, and the security of knowing they'll have a job to come back to when their training is done.

It will give working Canadians greater confidence about their ability to provide for their families down the road.

For employers, it will mean a workforce that has the skills and confidence needed to help grow their businesses—and our economy.

And to make sure that small businesses won't have to pay the price for this new benefit, we'll introduce a new EI Small Business Premium Rebate.

While the Canada Training Benefit will help working Canadians succeed, we also know that more needs to be done to help young Canadians get a good start in their working lives.

That's why we are taking steps to make education more affordable, by lowering the interest rates on Canada Student Loans and Canada Apprentice Loans.

For the 99 per cent of student borrowers who have a floating interest rate on their Canada Student Loans, the interest they pay will be lowered to the prime lending rate.

And because we know that young people want more opportunities to learn while they work and to work while they learn, we are expanding the Student Work Placement Program, so that students in all fields—not just those in math and science fields—can find good work placements and get the experience they need.

This is an ambitious measure, Mr. Speaker.

With this budget, we are setting a target of creating up to 84,000 new student work placements per year across Canada in five years' time. This will be a significant step toward ensuring that, ten years from now, every young Canadian who wants a work placement will be able to get one.

We've also heard from Canadians who believe strongly—as does our Government—that no Canadian should have to go without the medication they need, simply because they can't afford it.

Yet that's the reality for too many of our friends and neighbours, who struggle under the weight of some of the highest drug costs in the world.

When people can't afford the medicine they need, they are less healthy and less able to contribute—in their families, in their work, and in their communities. That costs us all, Mr. Speaker.

And so, guided by the early work of the Advisory Council on the Implementation of National Pharmacare, we are taking action.

First, we will work with provinces, territories and stakeholders on the creation of a Canadian Drug Agency, which could use its bulk buying power to negotiate better prescription drug prices on behalf of Canadians.

This would help individual Canadians—such as seniors—and their families afford the medicines they need. It would support the sustainability of the drug plans they rely on today, and pave the way for national pharmacare tomorrow.

Second, to help Canadians access the prescription drugs they need, no matter where they live, this new Agency will work with the provinces and territories to determine which medicines represent the best value for money for Canadians—right across the country.

And third, to help Canadians with rare diseases access the drugs they need, we will take steps to help make some of the most expensive drugs more accessible—through a national strategy for high-cost drugs for rare diseases.

Parents of children with rare diseases know these costs all too well. It's not just dollars and cents to these moms and dads, Mr. Speaker. It's nights spent sleeping by a hospital bedside. It's a constant worry that never goes away. And it's knowing how much happier and healthier their kids could be, if they could just get the treatment they need.

We have a chance to help these families, Mr. Speaker, and we're going to take it.

We know, Mr. Speaker, that these measures alone will not fully close the gap for people who need prescription drugs and can't afford them.

But they do mark important first steps on the way to a system that helps all Canadians get the medicine they need.

We will work closely with provinces and territories, and other partners, on this—and we look forward to receiving the Advisory Council's final report, due later this spring.

Our publicly funded, universal medicare system is a source of pride for Canadians—and a source of strength for our country.

It's a legacy we are building on with this budget, as we move toward national pharmacare for all Canadians.

With this budget, we are also doing more for Canada's seniors, Mr. Speaker.

Women and men who have worked hard their entire lives and deserve a secure and dignified retirement, free of financial worries.

These are the Canadians we've helped with the increase to the Guaranteed Income Supplement top-up for single seniors, which boosted benefits for nearly 900,000 low-income seniors, and lifted about 57,000 seniors out of poverty.

We also helped to put thousands of dollars back in the pockets of Canadians as they become seniors, by restoring the eligibility age for Old Age Security and the Guaranteed Income Supplement back to 65.

With this budget, we are taking additional steps to make retirement more financially secure for more Canadians.

To ensure that all Canadian workers receive the full value of the Canada Pension Plan benefits to which they contributed, we will proactively enroll Canada Pension Plan contributors who are 70 or older but have not yet applied to receive their retirement benefits.

With this one change, as many as 40,000 seniors will begin to receive an average of an extra \$300 per month starting next year.

And to help low-income working seniors, we're enhancing the Guaranteed Income Supplement earnings exemption—so that seniors who wish to work can keep more of their pay and benefits.

As important as it is to our shared success that we continue to invest in people, we also know that it's vitally important that we also invest in building a better Canada.

That means building strong communities.

And one of the ways we do that is by making sure that our cities and towns have the resources they need to invest in local priorities—whether it's expanding a public transit route, repairing potholes in the spring, or building a new playground or community garden.

To give our communities the help they need, and to ensure that money earmarked for communities is invested as intended, we will be giving a one-time boost to municipalities through a municipal infrastructure top-up—doubling this year's federal commitment through the Gas Tax Fund.

Transferring funds to communities gets projects built, Mr. Speaker. Projects like the Minto Park concession building in Dawson City. The Emerald Park soccer facility in Edenwold, Saskatchewan. And the Armand-Lavoie Amphitheatre in Tracadie, New Brunswick.

Our communities are a priority, Mr. Speaker. We promised this help, and we're delivering it.

We also know, Mr. Speaker, that in today's connected world, it is more important than ever that Canadians have fast and reliable access to the internet.

From small businesses looking to reach customers around the world ... to seniors who want to stay in touch with family and friends ... to college students who want to move home for the summer but still be able to take online courses or apply for work ... high-speed internet is a necessity, not a luxury.

And that's why, in today's budget, we are announcing a new national plan to get us there.

By 2030, every Canadian home and small business will have access to high-speed internet, no matter where they are located in the country.

And work is already underway. Supported by the Accelerated Investment Incentive introduced last fall, service providers are already working to bring high-speed internet to more Canadian homes in rural and remote locations.

Building a better Canada also means helping people be part of the clean economy—with energy bills that they can afford, and cleaner ways to get around.

That's why, with this budget, we are taking steps to make zero-emission vehicles more affordable for more Canadians, with a new federal purchase incentive of up to \$5,000 for electric battery or hydrogen fuel cell vehicles for Canadians who want to make the switch, and pay less at the pump.

We'll also provide immediate expensing to a full range of zero-emission vehicles, so that businesses that want to switch over their fleet can recoup that investment sooner.

To help make monthly electricity bills more affordable, we will enter into a partnership with the Federation of Canadian Municipalities to offer funds to make homes and businesses more energy efficient.

This will help support retrofits—like new hot water systems or rooftop solar panels—that can help lower monthly bills.

At the same time, Mr. Speaker, we know that building a better Canada must—by definition—include advancing reconciliation with Indigenous Peoples.

That's why Budget 2019 includes important new measures to help advance self-determination and improve the quality of life for First Nations, Inuit, and Métis Nation Peoples.

It includes new investments to better uphold Jordan's Principle, so that First Nations children can get the help they need—when they need it, where they need it.

It includes new support for Indigenous languages, for Indigenous entrepreneurs and businesses, for mental health and home care, and for emergency response—all critical parts of healthy and successful Indigenous communities.

And most critically, Mr. Speaker, it includes continued investments to make sure that these communities have clean, safe water.

There are, today, children living on reserve in Canada who cannot safely drink, or bathe in, or even play in the water that comes out of their taps. That's not okay.

So we will continue to work hard, and make the investments that are needed, to finally make this right.

So far, we have lifted more than 80 long-term water advisories, and we're on track to eliminate all of the advisories in the next two years.

Mr. Speaker, I've shared some details about what Budget 2019 will mean for the middle class and people working hard to join it, for working Canadians, young Canadians, seniors, and Indigenous Peoples.

But I also want to be very clear that this is a budget for people and for communities all across this country.

That includes people who come together to learn, work, and pray. Wherever we gather, Canadians should always feel safe. That's why, with this budget, we are doubling our investments to protect our communities from crimes motivated by intolerance and hate.

To better counter racism in Canada, we're moving forward with a new Anti-Racism Strategy.

And in recognition of the United Nations Decade for People of African Descent, we will work with community leaders to help celebrate and raise awareness of Black Canadian communities.

To give more people here in Canada and around the world a chance to see, hear, and appreciate our talented and diverse artists, we're making new investments that will help support our musicians, and bring festivals and performing arts series to more communities across the country.

Canada is also a country where we take care of each other in our times of need, including times of serious and life-threatening mental distress.

To support people who need immediate crisis support, we will work with experienced and dedicated partners to support a cross-Canada suicide prevention service. Available in English and in French, by phone, text or chat, 24/7. So that no one who needs help goes without.

For people in the Prairie provinces and parts of western Canada who are critically ill or injured and need emergency medical help, we are investing \$65 million in new emergency ambulance helicopters for the region's Shock Trauma Air Rescue Service, or STARS.

Because we know that our Prairie provinces are especially vulnerable to the extreme weather events that go hand-in-hand with climate change, and because we value our hard-working farmers and ranchers—who help to feed us and keep our economy strong—we will work with our western partners on a plan to protect water and soil in the Prairies.

To ensure that Canada's dairy, poultry, and egg farmers can continue to provide Canadians with high-quality products in a world of freer trade, we will make available an income protection program for supply-managed farmers, along with a measure to protect the value of quota investments these farmers have already made.

And in the east, to maintain safe and reliable ferry services that people in Atlantic Canada rely on, we will extend support for existing services and look to procure three new modern ferries.

Mr. Speaker, in communities all across this country, hundreds of thousands of Canadians are living with cancer. Every single day, about 565 people receive a cancer diagnosis, and around 220 people die from cancer. It's something that touches every community, and most of our families.

To help give more cancer patients and their families help and hope, we will provide the Terry Fox Research Institute with up to \$150 million to establish a national Marathon of Hope Cancer Centres Network.

Another illness that touches the lives of millions of Canadians is dementia. With this budget, we are investing \$50 million to support Canada's first National Dementia Strategy, to help give people living with dementia a better quality of life, and to ensure that their caregivers, who are predominantly women, get the help and support they need, too.

To ensure that our asylum system is fair and effective—supporting Canada's reputation as a country that is welcoming as well as governed by the rule of law—we will invest in a comprehensive Border Enforcement Strategy, to better detect and intercept people who cross into Canada irregularly and those that attempt to exploit our immigration system.

We will also renew our Middle East Strategy for another two years—supporting humanitarian, development, stabilization, security, intelligence and diplomatic activities across the region—in addition to our military contribution.

And to ensure greater fairness in our tax system, we will take action to limit the benefit of the stock option deduction for executives of large, long-established corporations—while ensuring that everyday employees aren't affected, and that start-ups and emerging Canadian businesses can continue to grow, attract talent, and create more good jobs.

Mr. Speaker, this is an ambitious agenda.

But we are confident that it is the right plan—and the responsible way—to build a better country, and a better world.

Mr. Speaker, we live in a world that is changing, and changing quickly.

Canadians understand that.

They know that we can't stop the trends that are already transforming the world around us—things like new technologies and more automation.

All that they ask for is a chance to find their way in this new world, with help from the Government so that they can have their best shot at building a good future for themselves, and their children, and grandchildren.

That's what we are doing with this budget, Mr. Speaker.

We are investing in the middle class, and in their future.

So that when young people graduate from school, they've already got the experience they need to get a good job. With student debt they can afford to pay down, and a real chance at owning their own home.

So that when seniors retire, they can look forward to spending their time with family and friends, not worrying about how they'll pay their bills every month.

So that every Canadian can feel good about what the future holds, and be confident about their place in a changing world.

And so that Canadian kids—like the ones I spent time with last week in Toronto—can grow up in a country where nothing holds them back.

That's what's at stake, Mr. Speaker.

And that's what we can accomplish together, when we invest in the middle class.

Thank you.