



THE CANADIAN
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Federal Budget: Big on Spending, Short on Growth

Ottawa, February 27, 2018 – The 2018 Budget presents many interesting measures, but does not address the fundamental issues facing Canada’s economy, says the Canadian Chamber of Commerce.

“Canadian business asked the government to focus on fundamentals like the growing competitiveness gap, the need to attract more private sector investment and presenting a realistic plan to balance the government’s books. Although the budget sets out many positive measures, including support for women entrepreneurs, a clearer path to Indigenous self-determination and improved skills development, it doesn’t address the most basic issues facing our economy,” said the Hon. Perrin Beatty, President and CEO of the Canadian Chamber of Commerce. “The cost of running a business in Canada is rising rapidly. Without a strong private sector, there’s no way to pay for all this spending, except by sending the bill to our kids.”

The Canadian Chamber of Commerce set out its proposals to make Canada a more competitive, and attractive, country for businesses in the recent [10 Ways to Build a Canada that Wins](#) document. Among these was a recommendation to make Canada an investment magnet by completely overhauling our archaic tax system.

“The United States is undertaking the most massive tax and regulatory update in generations. Meanwhile, Canadian governments are moving in the opposite direction by increasing costs and adding to the regulatory burden. We urgently need federal leadership to close that competitiveness gap to prevent the loss of billions of dollars of investment from Canada.”

The Canadian Chamber welcomed the greater clarity the budget presented on the government’s approach to taxing private corporations, a sign that government listened to the Chamber and its network.

“It’s good that the government’s approach is more closely focused than the measures proposed last summer, but there’s still much work to be done,” said Mr. Beatty.

“Issues like the new measures on passive income, or the unequal taxation of non-tangible goods, are all symptoms of a broken tax system that discourages investment and growth. It’s now more urgent than ever to have a full, independent review of Canada’s tax system,” he continued.

The Canadian Chamber is also disappointed in the lack of a concrete and responsible plan to balance the budget, and the unrealistic economic expectations laid out in the budget.

“By adding a further \$27 billion to the national debt in 2018, the government appears to believe that we can spend our way to prosperity. If Ottawa continues to run up the debt when times are good, we can only speculate on what our national finances will look like next time there is a downturn,” said Mr. Beatty.

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The Canadian Chamber of Commerce is the vital connection between business and the federal government. It helps shape public policy and decision-making to the benefit of businesses, communities and families across Canada with a network of over 450 chambers of commerce and boards of trade, representing 200,000 businesses of all sizes in all sectors of the economy and in all regions.

Sherwood Park & District Chamber of Commerce