

Intelligence MEMOS



From: Don Drummond and William B.P. Robson
To: Fiscal Observers
Date: June 2, 2025
Re: **DON'T WAIT FOR FALL, GIVE US A BUDGET NOW**

Prime Minister Mark Carney has said his government will present a budget this fall. That is better than Finance Minister François-Philippe Champagne's earlier announcement that there would be no budget in 2025. But the fall will be too late.

Before then parliamentarians will be asked to approve a revenue-denting personal income tax reduction and substantial emergency spending without knowing the fiscal context. Ottawa is adding \$4 billion to our national debt every month. It needs to stop making excuses and produce a budget.

The reasons it offers for waiting until fall are all feeble.

The excuse that there is not time to do a budget presumes it should run to hundreds of pages, as budgets have of late. It should not. It should simply set out the fiscal context with information on the underlying assumptions, including the country's anticipated economic performance. That will not take long to prepare. The key numbers needed are already available. The costing document accompanying the Liberal election platform can form a base. If those numbers were good enough to show voters, they should be good enough to show Parliament.

The argument that Parliament will not have time to deal with the budget assumes Parliament must rise by the end of June. Not so: It could continue or resume sitting after a short recess. We are repeatedly told we are in the national crisis of our lifetimes. MPs and senators should not respond by going on another long vacation.

The government says more time is needed for clarity on the economic and fiscal outlook. But economic and fiscal prospects are always uncertain. Events are always on the horizon, and over the horizon, that could affect outcomes. The Trump Administration is not about to stop dishing out chaos. Forecasting global growth, commodity prices and interest rates will remain hard. Ontario is the epicentre of the Trump tariffs, yet its provincial government presented a budget May 15. The Liberals' election pitch was that they and their new leader were best able to manage uncertainty, especially the erratic challenges emanating from the United States. They won. They need to step forward and start managing it.

If the government doesn't want to go all-in on a single economic scenario, fine: Its budget could analyze several, as the Bank of Canada's Monetary Policy Report did in April. Parliamentarians and Canadians understand this uncertainty very well. They are feeling it in their daily lives. No one expects a budget's projections to be spot-on. But they would provide the context needed to evaluate the actions and spending decisions that are coming.

The prime minister has implied that upcoming international meetings will increase pressure for higher defence spending. It has been obvious for some time that Canada must quickly get that spending up to 2 percent of GDP, and likely beyond, given the more dangerous world we now live in. But a budget is a tool in which to frame such pressures. Canadian companies are struggling with the uncertainty the Trump administration has created, but they continue with the critical task of planning. Representing as it does the interests of all Canadians, the federal government should be no different.

The finance minister and prime minister have also implied that preparing a budget will require resources they prefer to apply to taking action, including a mini-program review to cut spending. But this has the process backwards. The budget should set out the context for action. The outlook for revenue and the deficit, not to mention demographics, inflation and interest rates, is bound to affect the government's spending targets. A slim budget that gives us the key numbers and spares us the glossy propaganda and self-praise will be quick and easy to prepare.

If the reasons to produce a spring budget are compelling – and they are – and there is no good reason for delay – and there isn't – what the government should do is clear. It should deliver the spring budget that Parliament and Canadians deserve.

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A version of this Memo first [appeared](#) in the Financial Post.