Dufferin?Caledon MP Kyle Seeback critical of spending in 2024 Budget

By Sam Odrowski

The Liberal Government of Canada announced its 2024 Budget on April 16 with $535 billion in total spending and a nearly $40 billion deficit.

Over the next five years, the budget projects $52.9 billion in new spending, $8.5 billion of which is aimed at addressing Canada's housing affordability crisis.

A key component of the 2024 Budget is the Canada Housing Plan, which looks to unlock nearly 3.9 million homes by 2031. The Liberal Government says this can be accomplished through converting underused federal offices into homes, building houses on Canada Post properties, redeveloping properties and buildings on National defence lands, and building apartments with a $15 billion to up to the Apartment Construction Loan Program. Other measures will give cities more tools for housing construction, make investments in rent-to-own properties, improve flexibility in the First Time Home Buyer Incentive program and help with down payments through the tax-free First Home Savings Account.

Dufferin?Caledon MP Kyle Seeback didn't mince words when sharing his reaction to the budget in an interview with the Citizen on April 19.

?I think it's a terrible budget,? he said. ?We're now in the ninth year of massive budget deficits that Justin Trudeau has spent. He has more than doubled the national debt now.

?At a time where the current governor of the Bank of Canada is trying to get interest rates down, Justin Trudeau has now poured another 40 plus billion dollars of inflationary government spending onto the inflationary fire.?

Seeback said the deficit spending in the 2024 Budget will make it harder for the Bank of Canada to lower interest rates, further worsening the housing crisis. The prime lending rate currently sits at 7.2 per cent.

The Liberal Government says its budget is delivering on plans to make life more affordable for Canadians while growing the economy and creating good middle-class jobs, but Seeback told the Citizen it's doing the exact opposite.

?None of it's worked so far. You're paying more for groceries, more to fill up your car, more to heat your home,? he said. ?We have the worst affordability crisis we've seen in several decades in Canada. Part of that problem is that so much of what's been spent is just to serve the federal government, which has increased in size by 48 per cent.?

He added, ?The spending is not helping Canadians, what it is doing is causing the inflationary crisis we have.?

A primary source of inflation is money printing ? pumping the economy with additional dollars to cover deficit spending. Inflation acts as a hidden tax, as the government can cover additional expenses by creating new money, instead of new taxes, which devalues the currency. Those who own properties and assets benefit from inflation as their holdings climb in value, while those living paycheque to paycheque, who own no assets, have less purchasing power to cover their daily expenses.

?Inflation actually is the most insidious thing. It hollows out the middle class because they're the ones least able to deal with inflation,? said Seeback. ?The rich 100 per cent benefit from the inflation of assets, and working people are the ones who are the most hurt in an environment like this.?

A key contributor to inflation, according to Seeback, is the Carbon Tax.

?We have to axe the Carbon Tax, because when you think of the layers of the carbon tax that go throughout the economy, it's costing Canadians a fortune,? said Seeback. ?The farmer pays a carbon tax, the trucker that picks up the product pays a carbon tax, takes it to a processor, the processor pays a carbon tax. Then when a truck picks it up from the processor, that trucker pays a carbon tax, and the grocery store pays a carbon tax to heat the premises.?

This results in massive food inflation, according to Seeback, as increased costs posed by the carbon tax are passed onto the consumer.

?The Parliamentary Budget Officer's (PBO) made it clear that most Canadians are worse off when you factor in the economic impact of the carbon tax plus the tax itself,? said Seeback, citing the PBO's updated analysis of the impact of the federal fuel charge on households

However, when asked about the program, Prime Minister Justin Trudeau points to the PBO's report from 2019 that states eight out of 10 families get more money back through the Carbon Tax Rebate than they pay into the program.

But Seeback said this report doesn't consider how the Carbon Tax impacts the economy and increases everyday costs for Canadians.

?The carbon tax doesn't operate in a vacuum,? he said. ?When [the PBO] factored in how much the carbon tax affects the economy and the carbon tax, people paid, take off the rebate, and most families are worse off.?

A report released by the Parliamentary Budget Officer on March 30, 2023, says ?most households will see a net loss,? when factoring in the Carbon Tax's impact on the economy overall.

The amount of money the federal government has spent on consultants was another area of concern for Seeback.

Since Trudeau took office in 2015, the Liberal Government has more than doubled the amount it spends on consultants each year.

Seeback recommends slashing that budget in half, which would amount to almost $10 billion in savings, as he argues a lot of the consulting work that's being outsourced could be done internally by government employees.

Aside from the Conservative Party of Canada, Seeback said there's been no shortage of criticism for the Liberal's 2024 Budget.

He referenced comments made by former Bank of Canada governor David Dodge who said the 2024 Budget was ?likely to be the worst? in decades after seeing spending announcements a couple of days before the 2024 Budget was officially presented.

Dodge revised his comments after the budget was released on April 16 to say it's ?certainly a bad one,? as he's concerned with how new measures will move Canada in the wrong direction for raising incomes.

Investment and innovation could be curbed for young people setting up new businesses as they will take in less money through the government's new changes to the Capital Gains Tax.

Capital gains have risen from 50 to 66.7 per cent for all corporations and trusts. Individuals will see the same increase, but only concerning the portion of capital gains realized annually that exceed $250,000.

Dodge said while the change is small, it will have an impact.

?It is not massive? but it hits precisely the folks that are trying to raise the income of Canadians by investing and taking chances in new innovation,? said Dodge in a CTV interview on April 18.

Looking at future interest rate cuts, Dodge said the size of this year's provincial and federal budgets won't help as they're creating additional demand in the short term in areas and markets where supply is already tight.

An area of the budget Seeback would have liked to see additional funding for is the federal disability benefit, which starts in July 2025.

A little over $6 billion has been earmarked over the next six years, falling short of what many disability advocates were looking for. The Canadian Disability Benefit (CDB) was first announced during the Liberal Government's Speech from the Throne in September 2020, when they promised a program modelled after the Guaranteed Income Support (GIS), which costs the treasury roughly $16 billion per year.

Defend Disability, an advocacy group for people with disabilities, said the new benefit ?will do next to nothing to alleviate poverty? as it is capped at a spending of $1.6 billion annually.

?People with disabilities were really looking for the government to step up in this budget, and what they've offered works out to be a maximum $200 a month, which is far short of what people with disabilities need,? said Seeback.

Member of Defend Disability Andrea Hatala said the $200 more per month will leave her living in ?deep poverty? and requiring ?meal programs and food banks? to make it through each month.

A vote on the 2024 Budget will happen in the coming weeks, which Seeback said the Conservative Party will oppose.

?We'll be voting against the budget because they're not meeting our demands, which include axing the tax and balancing the budget,? he said.

However, Seeback does anticipate the budget will pass with the support of the NDP when a vote is called.

He said while NDP Leader Jagmeet Singh has recently wavered on his support for the Carbon Tax, he anticipates he will vote to approve the budget to help him remain in his position until October of 2025 when he qualifies for his MP pension.

Seeback said it's time for a ?carbon tax election? and let Canadians decide if the policy should be kept in place.