

Morneau's Fall Economic Statement

by DAVID TILSON

On Nov. 21, 2018, the Honourable Bill Morneau, Minister of Finance, tabled the government's Fall Economic Statement. There weren't any big surprises, just a sobering confirmation of what most Canadians already knew – the current Liberal government is borrowing \$18 billion this year and almost \$20 billion next year to pay for their out-of-control spending with no plan to balance the budget. The Prime Minister has nothing to show for his three-year spending spree and has not only left the cupboards bare, but has also left Canadians on the hook for it through higher taxes.

Many of us recall when Prime Minister Justin Trudeau said the budget would balance itself. However, when Minister Morneau delivered the Fall Economic Statement, he admitted that isn't true. This year's deficit is more than three times what the Prime Minister said it would be and he's added \$60 billion in debt. What's worse is that the deficit will be even higher next year and the current Liberal government has no plan to return to balance. A responsible government would've paid down the debt when the economy was performing well in case of future downturns, but not this one. You don't need to be an economist to understand that more debt today means higher taxes tomorrow.

The ramifications of Prime Minister Trudeau's reckless borrowing are serious. Last year, the current Liberal government spent \$23 billion servicing the national debt. By 2023, the Parliamentary Budget Officer says that amount will rise to \$37 billion – a 60 per cent increase. This means the Liberals will be spending more on debt interest than we currently spend on health transfers!

The Prime Minister's reckless spending is hurting the very Canadians he claims to be supporting. The average Canadian middle-class family is paying \$800 more income tax today than when he took office. This is before the Liberals' carbon tax and their new payroll taxes take effect. In other words, it's only going to become worse.

More debt today means higher taxes tomorrow. Last year, Canada's net debt reached an all-time high of \$670 billion or \$47,612 per Canadian family. Since the current Liberal government came to power in 2015, 81 per cent of middle-income Canadians are seeing higher taxes. The average income tax increase for middle income families is \$840: higher Canada Pension Plan (CPP) premiums – up to \$2,200 per household; national carbon price – up to \$1,100 per household; cancelled Family Tax Cut – up to \$2,000 per household; cancelled Arts and Fitness tax credits – up to \$225 per child; cancelled Education and Textbook tax credits – up to \$560 per student; higher Employment Insurance (EI) premiums – up to \$85 per worker.

Prime Minister Trudeau's never-ending tax hikes and new regulations are making it increasingly difficult to grow and operate local businesses. These include: his job-killing carbon tax; increased CPP and EI premiums; increased personal income tax rates for entrepreneurs; and changes to the small business tax rate that will disqualify thousands of local businesses. Such circumstances force businesses to make difficult decisions which impact their survival and jobs for Canadians.

Future generations shouldn't be on the hook for the Prime Minister's reckless spending. Measures, such as a media tax credit, do nothing to help Canadian families struggling to make ends meet and handouts to large corporations with wealthy lobbyists do nothing to help local businesses buried under Liberal red tape and never-ending tax hikes.

It's time for Prime Minister Justin Trudeau to tell Canadians when he will balance the budget, which he didn't do in the Fall Economic Statement. A Conservative government will stop the raid on future generations, eliminate Justin Trudeau's deficits, and put Canada's fiscal house back in order. This is the prudent and responsible leadership Canadians want and deserve.