Ottawa Journal by David Tilson MP ? Parliamentary Budget Officer calls out Liberal budget

Last week, the Parliamentary Budget Officer (PBO) issued his full analysis of the Liberal government's 2016 Budget.

The PBO confirmed that the former Conservative government left the Liberals with a $700 million surplus, and that the Liberal deficit would exceed $20 billion. The PBO also confirmed that by reversing the Conservative Party's plan to raise Old Age Security eligibility to 67, the Liberals will burden future generations with more than $11 billion in annual costs.

The PBO confirmed that the former Conservative government left the Liberals with a budgetary surplus, contrary to what Minister Morneau told Canadians. The PBO also confirmed that the Liberals broke their election promise and ran a deficit larger than $10 billion.

Conservatives will continue to hold the Liberal government accountable for its out-of-control spending and we will call on the Liberals to stop raising taxes on Canadian families and small businesses. The PBO confirmed that the Liberals are manipulating the numbers, and this finding shows that the Liberals cannot be trusted with the country's finances.

The Conservative record is clear. During the worst economic downturn since the Great Recession, Canada had the best job creation and economic growth record among G7 countries. We lowered taxes. We reduced taxes to their lowest point in 50 years, with a typical family of four saving almost $7,000 per year. We returned to balanced budgets. After running a targeted stimulus program that created and maintained approximately 200,000 jobs, we kept our promise to balance the budget and left the Liberals with a surplus.

Canada's current economic conditions are not those that justify a fiscal stimulus. According to the Bank of Canada's January forecast, the economy will grow by 1.4 per cent in 2016 and 2.4 per cent in 2017. Figures released since then suggest growth could be even higher this year, with some commentators saying Canada will outperform the G7 average. Compare that to the depths of 2009, when GDP was shrinking at a rate of over four per cent because consumer and business spending had collapsed.

The crux of Canada's economic trouble is a supply shock due to structurally lower commodity prices. This has reduced the value of output in pockets of Alberta, Saskatchewan and Eastern Canada, causing resource businesses to cut investment and hiring. Recovery depends not on propping up demand through stimulus, but on workers and businesses shifting to higher-value activities. Helped by a lower Canadian dollar, the rapid growth of non-energy exports since mid-2015 suggests this process is already underway.