

A Budget Canadians Can't Afford

Lisa Raitt

From balanced budgets in the last two years under the Conservatives, the Liberals are forecasting four consecutive years of deficit spending of \$99 billion to 2019, the year they promised to balance the books. Which they won't. From the Opposition front bench, finance critic Lisa Raitt offers a Conservative perspective on Budget 2016.

When trying on his new shoes for the budget, Finance Minister Bill Morneau held a photo-op at the Boys and Girls Club in Toronto, a place well-known for teaching valuable life lessons and giving kids a good foundation.

I couldn't help but feel a sense of irony that the minister chose this spot to talk about his plan for the Liberal budget, a plan that commits Canadians to long-term structural deficits that will saddle future generations with unsustainable debt.

While the Liberals struggle with the idea that if you borrow money you have to pay it back, it is a concept that most young children in that room would find easy to comprehend.

What Canadians can't comprehend is how the Liberal government attempts to justify its plan. On budget day itself, yet another report from the Finance Department's own Fiscal Monitor again confirmed that the former Conservative government left the country with a surplus. For the April 2015 to January 2016 period, the report said, the government's budgetary surplus was \$4.3 billion, with a surplus also forecast for February.

But the Liberals projected an operating deficit of \$9.1 billion in March, the last month of the fiscal year, with a forecast of a \$5.4 billion deficit over FY 2015-16. Apart from the usual

year-end cost adjustments, the Liberals booked \$3.7 billion of veterans' benefits in the next fiscal year to the previous fiscal exercise. This is not a deficit left behind by the Conservatives, but one created entirely by the Liberals.

Not only have the Liberals already made so many commitments they have virtually squandered all they inherited, they have cast aside their election promise to cap their deficit spending at \$10 billion.

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Furthermore, Budget 2016 specifically plans for deficits totaling \$99 billion over the next four years. In fact, they project a further deficit of \$14 billion beyond that in fiscal 2020-21. Simply put—another broken promise. Gone is any plan to return to balance by 2019. Morneau talks about returning to balance after five years of deficit, but his own budget num-

bers tell another story, one written entirely in red.

Morneau's budget speech was titled "Growing the Middle Class", but the budget is a betrayal of the middle class, who understand that if we are not willing to control spending, taxes will eventually have to go up to pay for the money borrowed today. It's a betrayal of families who understand their household budgets can't be sustained on credit. And it's a betrayal of Canadians who trusted them to keep their promise to limit their stimulative deficits to \$10 billion in each of their first two years of government, returning balance in 2019. That's two important broken promises on the integrity and viability of the fiscal framework.

Not even one year ago, Justin Trudeau said: "Our platform will be fully costed, fiscally responsible and a balanced budget." As we now know for certain, none of these things are true. This budget puts taxpayers on the hook for a Liberal plan to spend money Canada doesn't have—to fight a recession Canada isn't in.

Conservatives found themselves in a tough economic situation in the Great Recession of 2008-09. That's why we had a plan to return to balance—to live within our means—something we achieved in 2015.

We met the challenge of the global financial crisis with Jim Flaherty's Economic Action Plan. And our legacy of surplus was to be protected thanks to Joe Oliver's balanced budget legislation, which the Liberals are repealing. During our last full year in office, the budget was balanced for the second consecutive year. Our job creation record was the best in the G7, despite the fallout after the Great Recession. When the Liberals took office, taxes were at their lowest point in 50 years. They had a model to follow that cre-

ated 1.2 million net new jobs during a global economic downturn.

Yes, Conservatives disagreed with the Liberals' proposal to borrow even a "modest" \$10 billion. You can do a lot for \$10 billion. Had the Liberals kept that pledge, our Opposition would have been there to make sure every dollar of that \$10 billion went to encouraging job creation.

Now, that number is a dream compared to the reality, or rather nightmare. Uncontrolled spending will inevitably lead to long-term, structural deficits that are unsustainable. Some economists go so far as to suggest this government will rack up more than \$150 billion in new debt over the next four years alone. At \$99 billion of deficit spending forecast by the budget, we are already two-thirds of the way there.

For Canadians, this is a big problem. After breaking such a simple promise, the Liberals simply can't be trusted when they say their spending will create the jobs and growth our country needs, and handing borrowed money from one politician to another is not a jobs plan.

There are more than 100,000 Canadians from across the country out of work in the oil and gas industry alone. These families needed to see a real plan to create well-paying jobs.

What they got instead was a plan that seeks to increase payroll taxes on small business and introduce a carbon tax, both job-killing measures that discourage investment in our economy. The prime minister continues to throw up roadblocks to job-creating pipeline projects, and the thousands of new jobs that come with them. The Liberals are also sending mixed-messages on LNG in British Columbia.

Many Canadians are wondering: "What did Justin Trudeau buy with \$30 billion of our money?" I can't blame them for being confused. Canadians see money flying out the door, with no assurance that they will receive value for this profligate spending, which the Liberals call "in-



Opposition Finance critic Lisa Raitt on Budget 2016: "This is not a deficit left behind by the Conservatives, but created entirely by the Liberals." House of Commons photo

vestments" in the economy. The Liberals have clearly demonstrated their inability to make hard choices that governing requires and they have demonstrated an even greater inability to provide measures for Canadians that will really help.

And so in the weeks and months following the budget—you can count on the Conservative caucus to hold the Liberals to account on these issues. We will be the voice of everyday working people. The Liberals talk of growing the middle class. The Conservatives will stand up for the middle class.

We'll push for proper infrastructure spending—targeted with a lasting impact with transparent selection criteria. We'll push them to embrace free trade and the \$5 to \$10 billion in long-term GDP growth that will come with the Trans-Pacific Partnership, a significant trade deal that the trade minister herself said was not her job to promote.

And we'll push for a commitment to balance the budget by the end of their four-year term, as they promised during the campaign. It can be done.

We won't forget the Canadians who voted for us. They voted for lower taxes, a balanced budget, and a plan to keep Canada the best place to find a good job. And we won't forget the Canadians who voted for the Liberals, either. Because the plan they voted for, the plan they were promised, is certainly not what the Liberals have delivered. They wanted to believe Justin Trudeau when he said he would spend responsibly. Those were his words. His promises. So it is our job to speak for those voters as well.

Our Conservative values resonate with so many Canadians, including those who voted for other parties last October, because they are fundamentally Canadian values. Universal values, in fact—shared by Canadians whose families have been in this country for generations, and those whose families can measure their time in Canada in just days and weeks.

As Opposition Leader Rona Ambrose says, it is easy for a party in opposition to speak about what it is against. But it is more important that we speak with clarity about what we are for—because that is what distinguish us from the current government.

We believe that government should help anyone in genuine need, and hinder none who finds success—that government should pave a road to prosperity, and then get out of the way.

We believe free enterprise and entrepreneurship are the keys to safeguarding our environment. We believe that doing what's right is more important than doing what's popular, and that this is essential to being a principled player on the world stage.

Canadians aspire to great things, and we share their aspirations. So we will continue to stand up for Canadians for their hard-earned dollars, for their deeply held values, and for their economic and political freedoms. **P**

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