

IN CALGARY



I joined many volunteers for the 9th Annual Veterans' Food Drive, hosted by MLA Prasad Panda.



I joined Calgarians rallying at City Hall to support protesters in Iran.



The Bowness Legion invited me to lay a wreath on Remembrance Day.



I also paid my respects at the War Memorial in Ottawa.

IN OTTAWA

I am honoured to be appointed to the Conservative Shadow Cabinet as Shadow Minister of Prairie Economic Development and as Advisor to our Leader (Economy).

The following is an excerpt from the speech I made in the House of Commons during debate on the Fall Economic Statement, my first full length speech in the House since receiving my new Shadow Cabinet role:

Conservatives warned this government throughout the first four years that it was grossly irresponsible to run large deficits and fail to build promised infrastructure while times were relatively good. Conservatives repeatedly warned the government that it was leaving Canadians vulnerable by leaving the cupboard bare during good times. The Conservative leader certainly did not predict the COVID pandemic, but he did warn the government that it had a responsibility to act prudently to maximize Canada's capability to manage an economic downturn.

Now, nearly three years later, according to the Fall Economic Statement, Canada's debt is nearly \$1.2 trillion, more than half of which was piled on by this government alone, and the majority of the new debt this government has added had nothing to do with COVID response measures, as \$100 billion of it came before COVID, and \$205 billion was added to the debt after the pandemic for spending that had nothing to do with the pandemic.

Now here we are. We are in a full-blown cost of living crisis. Canadians are increasingly unable to afford basic necessities of life such as food, groceries, gasoline, housing, and home heating.

The full speech can be found at patkellymp.ca.

IN QUESTION PERIOD

A critical issue in Calgary Rocky Ridge - and across Canada - is the health of small business. On October 17, I asked the government to cancel its plans to raise taxes on small businesses to help them recover.

Mr. Speaker, the inflation crisis triggered by the Prime Minister's out-of-control spending and borrowing is devastating small businesses. Small businesses want to increase wages and pay off their COVID debts, but half of them have still not returned to normal revenue. These businesses and their workers cannot afford higher payroll taxes and an ever-increasing carbon tax.

Will the government cancel its plans to raise the carbon tax and payroll taxes on small businesses?



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FALL ECONOMIC STATEMENT: RISING TAXES; MORE SPENDING

The government's Fall Economic Statement (FES) will increase your taxes and increase our national debt.

In short, life is going to continue to be more expensive for average Canadian households based on the Fall Economic Statement.



The Liberals say that inflation is a worldwide problem, and explain away Canadians' real struggles by comparing Canada to some other countries where inflation might be a point or two higher.

But that isn't good enough.

This Liberal government fueled inflation by spending too much: pouring too many borrowed dollars, including the \$100 billion in new debt they added before COVID, into the economy, which has had the predictable result of causing prices to rise.

The Bank of Canada raised interest rates to try to reduce inflation back to their target of 2% from about 7%. The Liberals had said that interest rates would stay low despite unprecedented borrowing and "quantitative easing" (creating new money), but rates are now rising faster than at any time in the past 20 years. High interest rates hurt people with debt, and they also force the government to pay more interest in future years.

Ironically, much of the government's increased revenue reported in the FES come from the natural resources sector, despite their expressed desire to see the industry phased out and the steps they have taken to prevent new projects from being built. The rest of the new revenues come from taxpayers - higher income tax revenue and higher inflation-driven sales taxes - and from higher corporate tax revenue also due to inflation.

Pat Kelly

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FACTS FROM THE FALL ECONOMIC STATEMENT



Overview

- 2022-23 deficit of \$36.4 billion, added to Canada's nearly \$1.2 trillion national debt.
- Dramatically rising interest payments on debt, as the size of the debt grows and interest rates go up.
- The government projects Canada's economy will grow by 3.2% in 2022 (April's forecast was 3.9%); and will grow only 0.7% in 2023 (April's forecast was 3.1%). If inflation is not curtailed, and interest rates remain high (both of which seem likely), the FES predicts a "mild" recession in 2023.

- New revenue of \$30 billion this fiscal year, due to inflation, higher corporate and personal income tax revenue, GST, and higher resource prices.
- New spending commitments of \$30.6 billion.

New Taxes and Subsidies in the FES

- Elimination of the federal portion of interest on student and apprenticeship loans.
- 2% tax on net value when companies buy back their own shares.
- Creation of three new bureaucracies to subsidize "sustainable jobs".
- Refundable tax credit for companies investing in specific green electricity and transportation initiatives.

PAT IN PARLIAMENT ON INFLATION

On Nov 3 in Question Period, I pressed the government on inflation, which puts more money in government pockets and less in yours.

Mr. Speaker, Canadians have never paid more taxes than they do now under this Prime Minister. The inflation rate is the highest in 40 years, which means that Canadians pay more for gasoline, groceries and home heating.

Some say that it is just inflation, but inflation means higher prices for Canadians and more money in the Liberal government's pocket. It is the inflation tax. It is the cruellest tax of all. When will the Prime Minister stop the inflation tax and stop his inflationary spending?



FACTS ABOUT OUR NATIONAL DEBT

In my June survey, 97% of respondents were concerned about Canada's mounting debt.



The federal debt is approaching \$1.2 trillion and will grow until at least 2027-28. Taxpayers will pay \$24.5 billion in interest on that debt in 2022 (almost \$700 per Canadian). Payments will rise to \$34.7 billion next year; and \$44.8 billion by 2027-28.

The Liberal government thinks it can spend its way out of inflation by pumping money into the economy, but every dollar is borrowed, which makes inflation worse.

THE OPPORTUNITY COST OF TOO MUCH DEBT

When the government spends billions on interest, the money isn't available for other things like priority spending or tax relief such as:

- ⇒ **Health Care:** Canada's federal government transfers about \$36 billion to provinces for health care. The provinces have asked Ottawa to increase its share from 22% to 35% to hire and train more staff, speed up treatments/surgeries, or purchase new equipment. If Canada had no interest payment burden, we could say "yes" and address an issue that Canadians consistently say is a top priority.
- ⇒ **Defence:** Our Defence budget is about \$25 billion. In light of global instability and Arctic vulnerability, our allies want us to aim for 2% of GDP in line with our NATO commitment. We could double spending to \$50 billion.
- ⇒ **Seniors:** Benefits for seniors cost \$48 billion annually. \$24 billion could increase OAS/GIS by about 50%.
- ⇒ **GST:** Each GST point raises about \$7.5 billion in revenue. We could reduce GST to 2% from the current 5%, lowering the tax burden for every Canadian at a time of rising prices.
- ⇒ **Income Tax:** We could raise the Basic Personal Exemption deduction (tax free earnings) from \$13,808 to about \$17,000 for people earning less than \$200,000.

BETTER STRATEGIES TO FIGHT INFLATION

High Liberal spending has fueled inflation and put us in a vicious cycle of more spending ▶ more debt ▶ more interest ▶ more borrowing ▶ higher taxes. Conservatives would instead:

- ⇒ **Reduce unnecessary government spending:** As a quick, big item, we would trim the \$35 billion allocated to the Canada Infrastructure Bank; and cut other corporate welfare.
- ⇒ **Cancel Payroll Tax Increases:** CPP and EI premiums will increase on January 1 even though both programs are fully funded and sound. Increasing payroll deductions applies to both your paycheque and your employer who matches the CPP contribution and pays 1.4 times the amount of your EI contribution, shrinking everyone's bottom line.
- ⇒ **Cancel the Carbon Tax:** The carbon tax will go up on April 1, 2023 by another \$15, from \$50 to \$65, tripling to \$170 by 2030. This tax increases the price of everything directly or indirectly, particularly raising costs for gas, groceries, and heat, all of which fuels inflation.

