

SPENDING "NOT HELPFUL"

On May 2, Bank of Canada Governor Tiff Macklem appeared before the Parliamentary Finance Committee and said that **\$61 billion in new spending in the Liberal budget is "not helpful" in bringing down interest rates.**

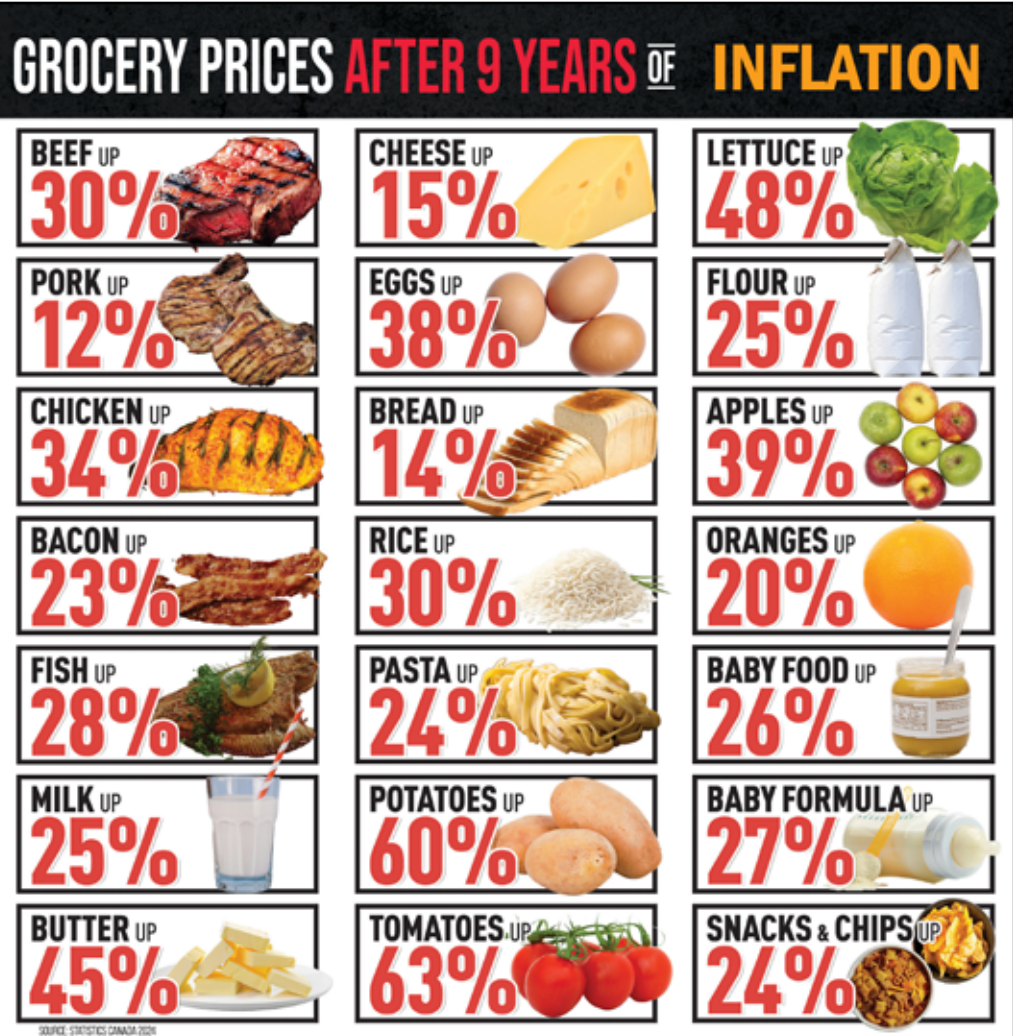
Both the Bank of Canada and former Liberal Finance Minister John Manley have told Prime Minister Trudeau and Finance Minister Free-land that they were making the situation worse with high spending that ballooned inflation and thus interest rates. They didn't listen, and it is Canadians who are paying.



High interest rates hurt people renewing mortgages or trying to buy a home; small businesses wanting to expand; builders who need financing for new construction; anyone with vehicle or other debt - in fact,

it hurts most Canadians and businesses. Since 2015, there has been a 20% decline in investment spending per worker, as the Canadian economy becomes less and less productive. Restrictive review processes (like Bill C-69), rising taxes (carbon tax, capital gains tax), and constantly shifting regulatory goalposts discourage investors from choosing Canada when other countries are eager for investment dollars and good jobs. Canada only attracts major new investments, it seems, when companies collect very large taxpayer-funded cash incentives (such as some \$57 billion allocated to profitable multinational companies to make EV components - astonishingly, without any apparent requirement to hire Canadians). In Question Period, I asked about taxpayer dollars subsidizing Stellantis jobs going to foreign workers.

The first steps to economic recovery must be restraint in government spending combined with tax reductions to reduce inflation and thus allow interest rates to fall. 🍁



Canada has become a country where political risk is driving away investment, because decision-makers, those who allocate capital, do not know from one year to the next just what this government is going to do. It piles on laws that do not stand up in court ...

Mr. Speaker, the impact was instantaneous when this government came to power. Some 200,000 energy workers across Canada ... many thousands in Calgary, including in my own riding, lost their jobs in the early months of the government. While things are much better now, the environment is still not there for investment. Money is leaving Calgary, not coming into it. It is the uncertainty that is such a killer. 🍁

Pat Kelly MP
House of Commons, May 27, 2024

House to House Report from Parliament

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POVERTY IN A LAND OF PLENTY

The recent Food Bank Canada's 2024 Poverty Report Card, released in May, is shocking.

Almost 50% of Canadians feel financially worse off compared to last year. The Salvation Army similarly reported in May that 76% of Albertans are facing food security challenges*. Food banks have seen double the number of clients, and are expecting more in 2024.

It is even harder for single parents: 45% report skipping or reducing the size of at least one meal a week to make ends meet.

Canada is a wealthy country. We have valuable natural resources, an educated and skilled workforce, and social support systems. But three-quarters of our residents report challenges affording sufficient nutritious food.

Why has this happened?

Federal government economic mismanagement is at the core of the affordability crisis. After nine years, it is greatly affecting families.

The Poverty Report Card downgraded the "score" of the federal government from D+ to D-.



*From the Salvation Army's spring 2024 research. Their definition of "food security challenges" includes buying discounted food, reducing the grocery spend to pay other bills, buying less nutritious food, skipping or reducing the size of a meal, eating less so children can eat more, relying on others to provide food, or visiting a food bank.



But the Liberals aren't listening. They hiked the carbon tax by 23% on April 1st which raises the cost of everything including food and fuel. They added \$61 billion in new spending in the 2024 budget which the Governor of the Bank of Canada said is "not helpful" as he tries to reduce interest rates (see story on the back page). This government is hostile to Canada's resource industry - a critical source of tax revenue and high paying jobs - and they have refused to consider several requests to sell our Liquid Natural Gas abroad.

Those policies are actively hurting families.

It has to stop. 🍁 **Pat Kelly**

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◀ Thank you to the Grade 9 teachers and students at William D Pratt School for inviting me to talk about the Parliamentary system, what Members of Parliament do, and our role in the House of Commons.



▲ My Conservative colleagues and I recently met with a delegation from Ukraine. Thank you to Hanna Shelest from Ukrainian Prism, Yevgeniya Gaber from George C. Marshall Center, and Yevhen Hlibovytsky from Frontier Institute, for the open discussion.

▶ Celebrating Holi with music and colours. I was glad to share the joy and hope that comes with the end of winter and the arrival of spring with the Kincora Community Association.



▲ Congratulations to the Citadel Community Association on the Grand Opening of their Community Gardens.



◀ Thank you to the Uturn Project and joint organizers for hosting Asian Heritage Month 2024. I joined Alberta's Minister of Immigration and Multiculturalism, Muhammad Yaseen, in declaring May the official Asian Heritage Month in Alberta, along with dozens of other dignitaries, sponsors and exhibitors.

CANADIANS ARE GETTING POORER

Statistics Canada has confirmed what many know from personal experience: Canadians have seen one of the steepest declines in living standards in the country's history.

In May, Statistics Canada reported the real Gross Domestic Product (GDP) per person declined by 0.7% in the first quarter of 2004. This is the fourth consecutive quarterly decrease, and sixth in seven quarters. Canada's standard of living has fallen to the same level as in 2016.

Canada is now one of only a few OECD countries that hasn't recovered from pandemic losses. In the US, for example, GDP has grown by more than 8% per capita since 2019 while Canada's declined by 2.8%. This is the worst gap between the Canadian and US economies since 1965.

The Fraser Institute calculated that Canada's inflation-adjusted GDP has fallen 3% in the last four years. This translates into losses of \$4,200 per Canadian. Yet the recent Liberal budget jacked up spending by \$61 billion, or about \$3,687 per Canadian family. The annual interest payments on our \$1.3 trillion accumulated debt amount to \$1,300 for every individual Canadian.

With escalating taxes and growing debts, resulting in lower standards of living, Canadians simply cannot afford the cost of this government.



The country is on the wrong track. This must be reversed. 🍁

◀ On May 27 at the Defence Committee meeting, I again pressed Defence Minister Bill Blair for details on defence procurement. He continued to offer no answers or timelines.

▼ I attended "Taiwan Night" hosted by the Taipei Economic and Cultural Office in Canada with Representative Harry Tseng and his wife.



Madam Speaker, the Canadian Armed Forces has 16,000 personnel vacancies and a crisis of morale, recruitment, and retention.

That is why the Defence Committee unanimously voted to cancel the April 1 rent increase for base housing. Like other Canadians, our troops cannot afford rent and groceries ...

Will the Prime Minister show that he actually supports our troops and reverse the rent increase - yes or no?

**Pat Kelly MP
House of Commons, May 10, 2024**

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