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Budget 2012 –Continuing a Pattern of Theft

by Jim Hnatiuk

The Canadian Taxpayers Federation (CTF) said that Budget 2012 was an opportunity for Prime Minister Harper's majority government to rein in spending, and they didn't.

"Annual program spending will rise \$20 billion by the end of the Harper government's majority mandate in 2015," said CTF Federal Director Gregory Thomas. "Annual spending will rise \$86 billion since the Harper government took office in 2006."

Thomas said, "We see a willingness in the budget to tackle some of the root causes of runaway spending, such as EI abuse, and overly generous pensions for government employees," but that "Spending cuts announced today are a drop in the bucket," and that "Somebody should remind Jim Flaherty that Stephen Harper promised to balance the budget by 2014-15, because this budget won't get the job done."

Sadly, the saga continues, doesn't it? In 2006-7, the Christian Heritage Party warned Canadians that if we do not reduce the debt while the economy is strong, it will cause social and economic havoc when the economy takes an inevitable downturn. That forecast was accurate. Reducing the debt when times were good would have enabled us to lower taxes without cutting important services. The interest we pay on past government borrowing is like "buying oats for a dead horse." These expenditures add no services for the taxpaying public; they only serve to enrich the financial institutions from which the government borrowed unwisely.

Remember back to the new Progressive-Conservative tax, the GST, which was supposed to be applied directly to the debt, but in fact it was merely another "slush fund" from which to buy votes. The Liberals promised to abolish it, but did not. The Harper Conservatives reduced it, while increasing spending to record levels and placing Canada, once again, alongside other countries suffocating under a burgeoning debt.

In a nutshell, most people know that deficit spending is theft. Successive governments have stolen money from our children and grandchildren to convince constituents that they are the party of choice. This 2012 federal budget continues with that trend even under our majority, so-called, "Conservative" government. So, much for those who were hoping that we might at least have a fiscally conservative government since the

Conservatives failed so dramatically at being social conservatives. I've heard that the Conservatives had an excuse for not coming out with a real conservative budget because the Liberals and NDP would be able to say "See, we told you they had a hidden agenda." Let's explain that reasoning to our grandchildren, shall we?

Canada must be debt-free!

The National Debt must be treated like a national "mortgage" and to pay it off, we *must* balance our budget. In the same way that home owners who will not balance their budget will eventually lose their home, Canadians will lose this great country if we will not balance our budget and repay our debt.

The Christian Heritage Party commits to stop the current governmental practice of "renting" Canada's money from the chartered banks, a practice that has a triple negative impact on our Canadian finances. We would do this by effectively using the Bank of Canada for the purpose it was created:

- 1) Charter banks create our money as interest-bearing debt, a negative beginning that devalues our currency, that diminishes our standard of living, and that must be paid back, along with continuously compounding interest. CHP Canada would immediately begin the process of reinstituting the Bank of Canada as the primary source for needed government funds.
- 2) Our government would transition to using the Bank of Canada to protect the value of our currency mainly by lending to the government new money (practically interest free), while at the same time controlling the amount of money created by the commercial banks... A double edged sword for fighting debt.
- 3) The statutory reserve system was abolished by Prime Minister Brian Mulroney in 1991 and would be reinstated by CHP Canada to control the amount of money artificially created by the charter banks. These reserves required the charter banks to retain a percentage of their customer's deposits to offset the loans the bank issued. In other words, a bank could not loan out 100% of the money that its customers have deposited in their bank accounts.

CHP Canada would start this transition by implementing our Infrastructure Program. To see CHP Canada's complete platform for economic recovery and a debt free Canada, visit [chp.ca \(http://www.chp.ca/better-solutions/economy/\)](http://www.chp.ca/better-solutions/economy/).