

## Credit Where Debt is Due

**Peter Vogel**

Deputy Leader, CHP Canada

The other day, after reading that Ontario's debt has now doubled California's debt, my wife wanted to do a calculation as to how much debt each Canadian theoretically owes. She got out her financial calculator, but we soon found that it would be inadequate because it does not have space for numbers larger than 99 billion.

I like to be objective and point out good and bad points of government regardless of their party affiliation. Normally that makes the Conservatives look better than the Liberals. But if we go back a few years to the days when Jean Chretien was Prime Minister and Paul Martin was Finance Minister, we find something that we have not seen in a while — balanced budgets. Yes, the Liberals balanced the budget back in 1996/7 and kept it balanced for over ten years.

Then the Conservatives were elected. Some of us had watched Alberta under a Conservative government become a "debt-free" jurisdiction, and we hoped that Canada, under a Conservative government, could follow that great example. They didn't. The federal Conservatives under Stephen Harper and Jim Flaherty did not get to work at paying down the debt. They did not even keep running balanced budgets. They actually started running deficits that would have made some Liberals blush! And Alberta, which stood as a shining example of fiscal responsibility for several years, went back into debt in a big way — under "Conservative" governments.

The terrible thing about these examples of fiscal irresponsibility from Conservative governments is that if you ask them if deficit spending and racking up debt are good things, they will say "no."

This year (an election year) was supposed to be the year of return to balanced budgets:

"The government had projected a slim, \$1.4 billion surplus for 2015 in its budget, which was presented last April." But, last Wednesday we heard,

"The PBO (Parliamentary Budget Officer) estimates a budget outlook updated with the lower GDP numbers alone would show a \$1.5-billion deficit at the end of this year and a \$0.1 billion, or \$100 million, deficit in 2016-17. Canada would be back at a \$1.5 billion surplus in 2017-18, according to the PBO projection." Source: CBC<sup>1</sup>

If the latest prediction is right, that would mean that we would have been in deficit territory for around ten years! But wait a minute, let's go back to the Chretien/Martin Liberals; did it take them ten years to balance the budget? This may sound unbelievable, but they were elected in 1993 and had balanced the budget by 1996/7. Credit where credit is due.

Now lest you think all Liberals are good financial managers, let's remember that it was the Liberals under Pierre Elliot Trudeau who took Canada out to uncharted deficit territory in the first place (when the nation

was not at war). His son Justin appears to have more of his father's Liberal financial inclination than that of the Chrétien/Martin Liberals, so warn your neighbours. Also, many provincial Liberal governments have racked up sickening debt levels for many years, so don't give them credit where debt is due.

Ontario's debt per capita is over \$20,000 (close to Quebec) but Manitoba, at over \$26,000 per capita, is the worst of all. Saskatchewan and Alberta are the best at between \$3,000-\$5,000 ([debtclock.ca](http://debtclock.ca)). But remember that Alberta was debt-free just a few years ago.

Greece just went bankrupt, in that they did not have the necessary money to make their scheduled payment. After imposing new austerity measures and stretching out their re-payment schedule, they are not considered to be bankrupt right now. However, the European banks are telling the government what to do, so what sovereignty do they have as a nation? This has been the case for a few years, but it keeps getting worse, and it shows the truth of the verse, "the borrower is servant to the lender."

Canada's debt is at an all time high of \$616 Billion, about \$17,000 per capita. We must not continue to follow this path. We want Canada to be "glorious and free." That is why the CHP stands on principles which do not change. Some years will be better than others, but in the good years we should be saving for the bad years, for they will surely come. Many Conservatives know this and say this, but they have not consistently done this; some Liberals have, but their record is also patchy. The NDP does not even believe in balanced budgets.

The CHP leads by example. We do not borrow money to fund our campaigns and other projects. We work with what we are given and do our best to make the most of it. We are not perfect, but we do our best to follow God's principles of economics, and we believe that God will bless us when we do. Please join<sup>2</sup> if you are not already a member; you may even consider running as a candidate in your district so that you can tell more Canadians about CHP's Better Solutions.

### **More information on Ontario's debt:**

Rebel Media: Ontario Not Greece<sup>3</sup>

National Post: Ontario downgrade by Standard and Poor's called 'hardly surprising' after years of warnings<sup>4</sup>

### **Footnotes**

<sup>1</sup> [www.cbc.ca/news/politics/deficit-projected-for-federal-government-this-year-1.3163097](http://www.cbc.ca/news/politics/deficit-projected-for-federal-government-this-year-1.3163097)

<sup>2</sup> [www.chp.ca/get-involved](http://www.chp.ca/get-involved)

<sup>3</sup> [http://www.therebel.media/ontario\\_not\\_greece?recruiter\\_id=12570](http://www.therebel.media/ontario_not_greece?recruiter_id=12570)

<sup>4</sup> <http://news.nationalpost.com/news/canada/canadian-politics/ontario-downgrade-by-standard-and-poors-called-hardly-surprising-after-years-of-warnings>