

March 2022



Greg McLEAN

Member of Parliament - Calgary Centre



INFLATION GRIPS CANADA

Dear Constituent,

In January, I was elected the **vice-chair of the Finance Committee**. Many of you know that my career before politics was in the finance industry, so this is a good fit for me and I'm looking forward to holding the Liberals to account in a policy area where they show particular weakness.

The Committee's first focus is on inflation, which is at a 30-year high. There is more than one reason for inflation, but a central cause is when governments print too much money and pump it into the economy. Too much cash chasing too few goods is a recipe for inflation.

Inflation damages everyone's purchasing power, but it is particularly hard on fixed and low income Canadians whose income doesn't keep up with the cost of essential goods.

The Parliamentary Budget Officer says the government should **reconsider their planned \$100 Billion in additional stimulus spending**. I agree. More on that inside.

The Committee also heard that Canada is currently projected to reach debt levels equivalent to \$67,000 for every man, woman and child. While you won't get an invoice for that amount, it does affect your finances. Canada pays interest on debt which is a big bite out of the national budget; the money eventually needs to be paid back from taxes and revenues; and if nothing else, it represents money that isn't available for higher priorities like health, education, social supports, or emergencies.

Please be in touch with questions, comments, or if you need my help.

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*Si vous désirez communiquer
avec mon cabinet en
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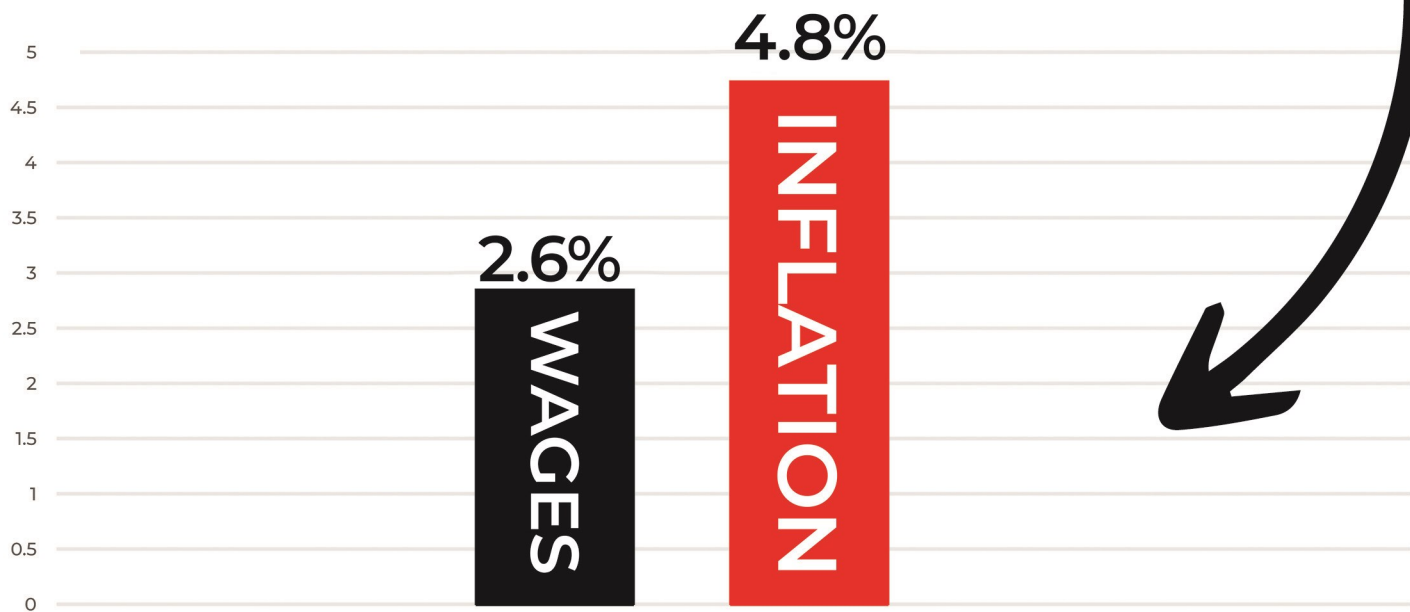
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As businesses start to recover from the pandemic, wages are not keeping up to inflation, while many people are still unemployed or under-employed

WAGES vs. INFLATION



Source: Consumer Price Index, December 2021

PARLIAMENTARY BUDGET OFFICER SAYS "STOP SPENDING"

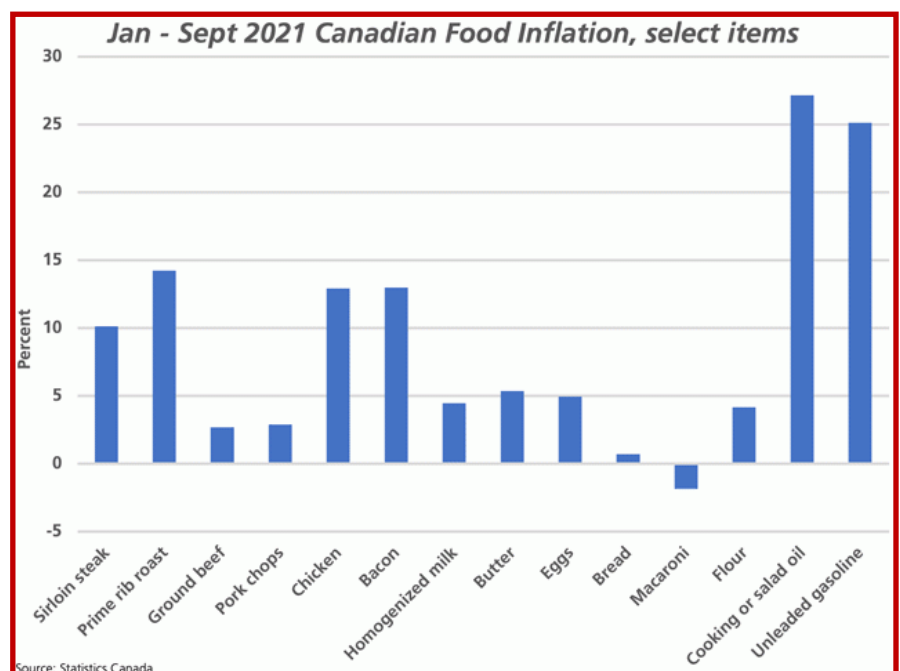
The Parliamentary Budget Officer (PBO) is a non-partisan public servant who reports to Parliament, not the government.

In January, the PBO issued an analysis of issues arising from the government's economic plan. He noted that in the 2020 Economic Statement, and again in the 2021 April Budget, the government set aside \$70-100 Billion in proposed stimulus spending, with fiscal guardrails such as employment levels to determine when to wind down stimulus spending. However, by the 2021 Fall Fiscal Update, references to fiscal guardrails and winding down spending had been dropped from the plan.

The PBO believes those guardrails have been satisfied and **stimulus spending should be**

wound down by March 2022. He wrote: *"the policy rationale for the additional spending over 2021-22 to 2023-24 that was initially set aside as stimulus spending has changed."*

The Prime Minister and Finance Minister have resolutely rejected that advice, even though this added spending will fuel further inflation.



Source: Statistics Canada

Source: Statistics Canada CPI Data



THE INFLATION TAX

Why do we call inflation a hidden tax?

Two reasons.

First, **it is frequently government choices that push up the rate of inflation.** Too much borrowed or printed cash in the economy, interest rates too low to put a brake on consumer borrowing, and a shortage of goods (including housing) that push up the price of everything from groceries to clothing to fuel. The carbon tax on consumer goods, especially the cost of transporting products such as groceries and the tax on home heating, also adds to the final price you must pay.

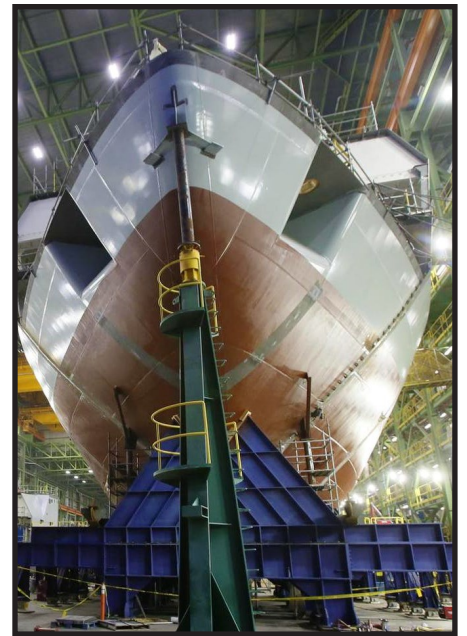
Second, **as the price of goods goes up, so does the GST/HST that you pay.** If something cost \$10 last year, you paid 50 cents GST in Alberta; but if it costs \$12 this year, you are paying 60 cents GST. That extra tax money comes out of your wallet and flows into government coffers. This government is clear what it will do with extra money—it spends it, and keeps the inflation cycle spiralling.

CAN GOVERNMENT SPENDING BE CUT?

People often ask if it is realistic to cut government spending without hurting those who need help, or reducing health care or education funding.

The answer is that there is a lot of waste in our system. Here are two examples that came to light just in January:

1. Public Services & Procurement Canada is advertising to hire social media influencers to push out happy messages about Canada's shipbuilding program - a program that is **billions of dollars over budget and years behind schedule. So instead of fixing it, government will pay people to spin that it isn't so. This builds on the strategy of words over actions which we have seen so often from this government.**
2. Conservatives have asked the Auditor-General to examine contracts awarded to Liberal insiders including McKinsey & Co. who are on tap to receive some \$44 Million. Liberals promised to reduce spending on outside contractors, but since their election in 2015, **it has gone up 40% (to \$12 Billion) concurrently with the size of the public service going up 24%, but outcomes have not improved.**



LET ME HEAR FROM YOU

Should I continue to press the government to restrain spending so as to limit inflationary pressure?

☐

Yes

☐

No

☐

Unsure

Thinking about the economy, is the government on the:

☐

Right Track

☐

Wrong Track

☐

Unsure

NAME

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PROVINCE

POSTAL CODE

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COMMENTS OR QUESTIONS

Answer the survey online at [GregMcLeanMP.ca/survey](https://gregmcleanmp.ca/survey)

STANDING UP FOR EQUALITY AND COMPASSION

Bill C-4: Conversion “Therapy”

For many years now, the government has been trying to ban so-called “conversion therapy” which is intended to change the sexual identity of LGBTQ2+ Canadians, typically using highly objectionable tactics.

The stumbling block has been the government’s willingness to use the legislation as a political

football, deliberately including clauses hard for some people to support, and then letting it die.

Most recently, the legislation passed the House of Commons last June, but the Liberals then called an election, letting it die before it could pass the Senate.

Finally, last December, Conservatives came up with a

strategy that enabled the bill to pass. Conservatives introduced a surprise motion allowing the bill to be approved in a single day. The government felt obliged to support the motion, and it was approved unanimously. The Bill then went to the Senate where a Conservative Senator did the same thing.

The Bill is now law, and conversion therapy is finally illegal.

Ending the Gay Blood Ban

My Conservative colleague, MP Eric Duncan (right) has been fighting to overturn a ban on blood donations from gay men.

Canada introduced a lifetime ban in 1992; and reduced the waiting period in 2013, and again in 2019, but was still imposing different screening on gay men than other Canadian donors.

Duncan shared with his MP colleagues his personal story of having his blood donation rejected. He asked then-Health Minister Patty Hajdu if she would accept his blood if she needed it.

In late 2021, Canadian Blood Services said it would recommend to Health Canada that the discriminatory policy be replaced with the same screening for all Canadians. Congratulations Eric, for making a difference.



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