

Facts

Andrew Scheer abandoned his previous commitment to eliminate the deficit in two years, and now claims he needs five years to eliminate a \$20-billion deficit. But between 1995 and 1997, the Liberal government of Jean Chrétien went from a \$43-billion deficit (in today's dollars) to a \$4-billion surplus in just two years. It can be done.

In 2018-2019, government revenues were \$8 billion higher than anticipated. However, instead of reducing its deficit by almost half, the Trudeau government decided to spend all the money. A government that controls spending while its revenues are growing will have the fiscal room to eliminate the deficit and cut taxes if it makes this a priority.

Our tax system is overly complicated. Canadians spend \$7 billion each year to comply with our tax laws, or about \$500 per household on average.

Our Plan

Debts and deficits are nothing more than deferred taxes on our children and grandchildren. Instead of buying votes with borrowed money, a responsible government should cut spending, balance the budget as quickly as possible, and then lower taxes in a prudent manner to put money back into Canadians' pockets.

A People's Party government will:

- Get rid of the deficit in two years through spending cuts and fiscal prudence. Spending cuts will include: corporate welfare (\$5B-\$10B), foreign development aid (\$5B), CBC (\$1B), equalization payments, and funding for programs which are provincial or municipal responsibilities.
- Stop using our tax system for political ends and make it simpler and fairer. In particular, it will eliminate targeted tax measures that are inefficient and serve no compelling public policy purpose.
- Cut personal income taxes after the deficit has been eliminated, over the course of several budgets, as the fiscal room is found to allow it. The objective will be to lower taxes for all Canadians by raising the basic personal exemption to \$15,000 (from \$12,069 in 2019) and reducing the number of tax brackets from five to two, with incomes from \$15,001 to \$100,000 taxed at 15%, and income over \$100,000 taxed at 25%.
- Over the course of one mandate, gradually abolish the personal capital gains tax by decreasing the inclusion rate from the current 50% down to 0% (see Economy policy).