

Freeland's budget leaves out a number of major Liberal campaign promises ^[1]

Money for long-term care, cash to hire more doctors and a promised mental health transfer didn't make the cut

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EXCERPTS

Finance Minister Chrystia Freeland tabled her second federal budget Thursday promising a return to "fiscal responsibility" after years of big COVID-related spending.

It's a noticeably thinner budget that left some of the Liberal Party's major 2021 election promises on the cutting room floor. A number of those commitments — most notably more money for health care, mental health and long-term care, and more support for seniors — were slated to roll out starting in this fiscal year.

Freeland said the pandemic blew big holes in the federal budget and it's now her job to "review and reduce" spending and revert to Canada's "proud tradition" of spending within set limits now that the worst of COVID-19 is behind us. The budget is projecting \$31 billion in net new spending over the next five years, a fraction of what the government has allocated in past budgets.

"Our pandemic deficits are and must continue to be reduced. The extraordinary debts we incurred to keep Canadians safe and solvent must be paid down," Freeland said.

Freeland's stated commitment to fiscal prudence caught some observers by surprise, considering the party's election platform — released just eight months ago — made no mention of belt-tightening. In fact, the party's fiscal and costing plan from the election platform called for much more spending in some priority areas.

"We've got an issue here and it's not about money. It's about politics," Armine Yalnizyan, one of the country's lead progressive economists and an Atkinson Fellow on the Future of Workers, told CBC News.

"It's incomprehensible because we have no affordability problem. We've had no trouble selling our bonds. In fact, our bond sales are oversubscribed. It isn't that we couldn't borrow more or raise taxes.

"They are appealing to 'blue Liberals' and Bay Street to de-fang some of their opposition from the right. It's a political ploy to buy peace with the corporate chattering class."

Yalnizyan said the government's decision to slash a promised tax hike on Canada's largest banks and life insurance companies was an unnecessary sop to corporate Canada.

In the election, the Liberals promised a 3 per cent "surtax" on those large financial institutions. Instead, the budget offers a 1.5 per cent increase to the tax rate paid by these companies on taxable income.

Yalnizyan, a strong advocate for the national child care plan the government eventually implemented, said she was most troubled by a gaping hole in the government's plan for the "care economy" — a sector she said is in "chaos" after a debilitating pandemic left the country grappling with massive labour shortages in health care, child care and long-term care.

"People are leaving the sector in droves, the conditions are appalling and there wasn't a word about that in this budget," she said.

Region: Canada ^[3]

Tags: federal budget ^[4]

child care expansion ^[5]

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