

PM plans fall splurge on social programs [CA] ^[1]

Fall budget to focus on clean environment with little cash for healthcare, sources say

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EXCERPTS:

Jean Chretien will try to enhance his legacy as Prime Minister this fall by emphasizing social programs and the environment, placing the Liberals firmly on the left of the political spectrum, government sources say.

The government is considering more money for subsidized daycare, income supplements for poor families, social housing and clean-water initiatives.

There will be small-scale health-care initiatives, though no major infusion of money for health.

Mr. Chretien, who said this week he will leave as Prime Minister in February, 2004, is expected to launch the policy-heavy fall agenda with a Throne Speech, and follow that with a budget at the end of November or early December, government sources said.

It will include plans to inject hundreds of millions of dollars into making sure Canada's water is safe and clean, as well as plans to clean up the worst-contaminated sites in the country, including the Sydney Tar Ponds and old mining sites that threaten water systems.

The government is working on plans to subsidize daycare for low-income single parents, supplement the incomes of poor families with children and possibly return to subsidizing social housing for people who are at risk of becoming homeless.

Infrastructure in urban areas will receive long-term funding commitments from the government, sources said.

Funding in the past has been on an adhoc basis, making it difficult for cities to plan long-term projects. However, the urban funding will not include handing over tax revenue or tax powers to municipalities, as some mayors and former finance minister Paul Martin have suggested.

Aboriginals and innovation will be major themes in the Throne Speech and the budget. But substantial new funding for health care won't come this year, as Finance Minister John Manley has warned.

In November, Ottawa will receive former Saskatchewan premier Roy Romanow's key report on overhauling the health-care system, then several months later meet with provincial premiers to figure out how to respond to it.

The fall's agenda will stress the importance of health care, and point to funding for small, health-related programs linked to the environment, clean water, children and aboriginals. But the big funding will not come until later.

Ottawa is considering for next year an interim cash injection into health care, then a more substantial sum in the 2003 budget. But even then, the money won't kick in until after 2005. That's when the last major injection for health care -- \$23.4-billion over five years -- expires. The new money likely will extend that funding for a sixth and seventh year.

The delay in funding is mainly because Ottawa is short on cash this fiscal year and next, and can't afford any major new programs without going into deficit -- something Mr. Chretien has promised his government will not do.

"You will see significant new announcements and progress to improve the life chances of our first nations. You will see significant additional action on children, poverty and ensuring a good start in life for all. You will see significant additional action, within our own jurisdiction, to build an urban infrastructure that makes our cities a magnet for talent and investment."

To help deal with the cash crunch this year, the fall agenda will emphasize priorities that don't cost much money, officials said.

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[5] <https://childcarecanada.org/category/tags/subsidy> [6] <https://childcarecanada.org/category/tags/poverty> [7]

<https://childcarecanada.org/category/tags/funding> [8] <https://childcarecanada.org/category/tags/federal-programs>