

Opposition targets government's economic sales pitch on childcare benefit ^[1]

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EXCERPTS

Opposition parties hammered the federal government on Monday after it boasted about the economic benefits of childcare cheques set to be mailed out to Canadian families next week.

NDP finance critic Nathan Cullen says the Conservatives appear to be owning up to the fact the Canadian economy is slumping.

"You almost want to celebrate the fact they're acknowledging the Canadian economy needs a boost. But this isn't what this tax measure was designed for and it is not what it does," Cullen said in a phone interview.

At a weekend event at an Ottawa-based retail chain, Employment Minister Pierre Poilievre billed the enhanced childcare benefit as a "\$3 billion injection into the bank accounts and mailboxes of Canadians" at an appropriate time.

"What we're telling Canadians is that there's a world of risk and economic difficulty outside of our borders," he said. "We, or course, have a strong economic action plan to overcome those difficulties."

There is growing doubt at home about Canada's economic stability.

Just last week, Statistics Canada reported the economy shed 6,400 jobs last month.

Four major banks have also stated they believe the country was in recession during the first half of the year. While official growth figures for all six months are not yet available, Statistics Canada has reported that the economy contracted during the first four months of the year.

The government has continued to reject the need for a new stimulus package to address the slowdown.

"We've already taken action through low taxes, a balanced budget and direct financial payments to moms and dads to strengthen our economy," said Poilievre.

Cullen said the Canadian economy has been weak for a long time and the government's current strategy is broken.

"They've had almost 10 years to roll out their plan and it has been hurting more than helping," Cullen said. "That's the reality, the numbers don't lie. They are what they are."

Liberal finance critic Scott Brison said the feds are handing out the childcare cheques on the eve of an election to try and buy votes.

The new benefit cheques, set to roll out next Monday, are retroactive to Jan. 1 and will provide a pre-election boost to pocketbooks.

"The Conservatives are deficit-financing a pre-election candy toss to try and buy people with their own money," Brison said in a phone interview.

The government announced it would boost the benefit to \$160 per month from \$100 per month. This means parents will receive \$1,920 per year for each child under 6.

It has also introduced a new benefit of \$60 per month, or \$720 per year, for children ages 6 through 17.

Aaron Wudrick, the federal director of the Canadian Taxpayers' Federation, said his group generally prefers individuals to decide for themselves how to spend their own tax dollars.

But he said he has a problem with the government's new sales pitch because the benefit does not really "inject" new money into the economy.

"Injecting would be a similiar word to stimulus," said Wudrick. "The problem is that unless you're borrowing the money ... you're not

actually increasing the total amount of money you're spending. You're just changing who is spending it."

The NDP has proposed creating one million \$15-a-day childcare spaces across the country within eight years.

The Liberals have proposed a child-benefit plan that would give \$6,400 per year, tax-free, for every child under the age of 6. The party would offer \$5,400 per year, tax-free, for each child that is 6 to 17 years old.

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