

Daniel Blaikie, M.P.

Elmwood-Transcona

Special Report on Fiscal Responsibility



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Welcome to a special issue of my report to the constituency.

This report highlights the work I did last session holding the government to account on how they spend our tax dollars. That work got some attention in Parliament and across the country; putting Elmwood-Transcona on the map as a voice for financial transparency and accountability.

For many people, when they think of the NDP, they think of the stereotypes promoted by other political parties and some people in the media; the ones that say New Democrats do not care about fiscal responsibility. That's a stereotype I want to challenge.

"In fact, fiscal responsibility has been a hallmark of social democracy since its inception."

"Balanced budgets historically left-wing territory," David McGrane, Winnipeg Free Press, August 31, 2015.

Only the big banks win when governments are stuck paying huge bills to service the country's debt. That money could instead be paying for improvements to health services, better education for our children, efforts to fight climate change or new infrastructure.

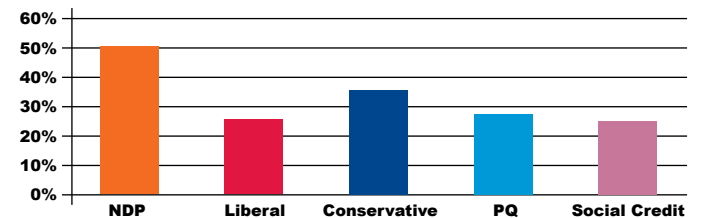
Historically, this is something the NDP has understood well. As premier of Saskatchewan for 17 years, Tommy Douglas never ran a deficit and routinely made payments to reduce the province's debt.

In Manitoba, the NDP government of Ed Schreyer ran surpluses in eight out of nine years. Gary Doer's NDP government managed a similar feat; running only one deficit from 1999 to 2008.

There are counter examples, of course.

Governments of all stripes have run deficits; some for ill-advised boondoggles, others for timely investments to keep people working or renew important infrastructure. Each deficit should be judged on its own merits, with the cost weighed against the benefit.

Percent years balanced budget or surplus. All Canadian federal and provincial governments - 1981/82 to 2010/11



Sources: Finance Canada Fiscal Reference Tables October 2010, RBC Fiscal Reference Tables April 2011, Statistics Canada Provincial & Territorial Economic Accounts Data Tables.

www.progressive-economics.ca/2011/04/29/fiscal-record-of-canadian-political-parties/

Nevertheless, a 2011 analysis of federal and provincial budget numbers showed that the NDP's fiscal track record compared very well to that of Liberals and Conservatives.

The above table shows that, over the long term, NDP governments have tended to deliver a high percentage of balanced budgets in comparison to their Liberal and Conservative counterparts.

The point of sharing this information is not to engage in partisan chest-thumping. It is just to say that no party has a monopoly on good fiscal management.

It also shows that there is a strong tradition of fiscal responsibility within the NDP, with a track record as good or better than Canada's other political parties.

I am proud of that tradition and I count myself as standing squarely within it.

That is why, when the Liberals made their financial process less transparent and less accountable, I made it my mission to oppose them.

Inside this report, you will find samples of the media coverage describing my efforts, as well as some other pertinent details.

I hope this gives you a better idea of how the Liberal government in Ottawa is using (or abusing) our public funds and what your MP has been doing about it.

Winnipeg NDP MP Daniel Blaikie miffed by federal vote on \$7B in spending

Winnipeg NDP MP Daniel Blaikie is pillorying the Liberals over an upcoming vote on \$7 billion in spending with virtually no scrutiny beforehand. Critics call it a slush fund, saying it will erode transparency, but the government says it will have the opposite effect on budgeting.

Dylan Robertson – Winnipeg Free Press | May 19, 2018

Verbal brawl over spending estimates turns Commons upside down

Blaikie spent more than 10 minutes citing procedural rules and past Speaker rulings over spending estimates and Parliament's watchdog role over the money before [Speaker] Regan interrupted him . . . The incident escalated, though, after Conservative House Leader Candice Bergen and Conservative MP Pierre Poilievre intervened on Blaikie's behalf, with Bergen saying refusal to hear Blaikie's case "could be seen as scandalous."

Tim Naumetz – iPolitics | May 25, 2018

'What a mess' – Open rebellion from Conservatives, NDP over \$7 billion spending approval

The extremely loud and unusual ruckus began as opposition MPs rose in solidarity with NDP MP Daniel Blaikie, who was outlining procedural arguments against the government asking Parliament to approve \$7 billion of spending all at once in this year's main estimates. The government says the money will be used on budget promises.

Marie-Danielle Smith – National Post | May 25, 2018

Controversial \$7B fund 'deemed' approved, sent back to House

Blaikie said he tried to be non-partisan and create "opportunities for dialogue" with a series of procedural arguments and tactics to prolong study of the vote. He argued for a take-note debate; an emergency debate; points of order - which erupted in a raucous showdown in the Commons last month.

Kathryn May – iPolitics | June 12, 2018



News Main estimates

Speaker says 'precedent'-setting \$7-billion budget vote can go ahead

If the \$7-billion central vote passes with the main estimates on Thursday, former PBO Kevin Page says it represents 'a new low' for Parliament's financial oversight system.

BY SAMANTHA WRIGHT ALLEN

NDP MP Daniel Blaikie says he's exhausted almost every procedure in the book to stop a controversial \$7-billion budget vote, but after a Monday night House Speaker's ruling, he's not sure what else to do.

"We are getting to the point where we have done all that we can do. I really have tried to use every available tool in the toolkit to draw attention to this to say there's something irregular and abnormal happening here in terms of the way the government is asking to approve spending," said Mr. Blaikie (Elmwood-Transcona, Man.), adding it's been a frustrating experience having that work dismissed as partisan grievance.

"Frankly it's not the sexiest issue to zero in on as a Parliamentarian, but it's something I felt I had a responsibility to do."

In its effort to align the budget with the main estimates, the Liberal government has put all new budget measures—amounting to \$7-billion—under the Treasury Board's controversial central Vote 40, rather than broken down by relevant department.

In the past, because the budget came out after the main estimates, money for new measures would be doled out in "supplementary estimates" after they'd gone through a Treasury Board review process.

The opposition says this approach sets a precedent that removes parliamentary scrutiny, and Mr. Blaikie argued the Speaker could rule it out of order.

But on Monday night, House Speaker Geoff Regan (Halifax West, N.S.) said there's already "ample precedent for central funds."

Barring any interventions in the House, Mr. Blaikie said the central vote "will inherently become a



Running out of time and options, NDP MP Daniel Blaikie says he's still exploring ways to combat the \$7-billion allocation included in the main estimates vote scheduled for Thursday. *The Hill Times* photograph by Andrew Meade

precedent for future governments."

Former parliamentary budget officer Kevin Page said by email he respectfully disagrees with Mr. Regan's ruling.

"Not all central funds are the same," he said, noting the government proposes that this central fund asks Parliament to approve "new appropriations" in the latest budget. "This is a very bad precedent for Parliament."

"Financial control and ministerial accountability are being undermined. This is a new low for our appropriation system," he said.

"How can the Parliament hold the President of the Treasury Board [Scott Brison] responsible and accountable for all authorities requested in the latest budget?" he asked, for money allocated for Indigenous people, veterans, science departments and more.

Despite the 2015 campaign promise of estimates reform, Mr. Page said we are left with "the false pretence of reconciliation at great cost to accountability."

Speaker says Treasury Board has legal authority to manage \$7B fund

In his ruling Mr. Regan acknowledged it was "the first time the House has been presented with a budget implementation vote of this nature," and that it's "important to ensure that the limits of the supply process are respected."

He also cautioned members to be concise, noting "even on a matter as complex as the estimates, it should not require multiple lengthy interventions to make one's point."

It was a quiet culmination after the fracas from a few weeks before when Mr. Blaikie, Mr. Regan and MPs shouted over each other for almost 10 minutes, according to a *National Post* re-

port in which Conservative MP Kelly McCauley (Edmonton West, Alta.) called the exchange "a mess."

Outside the Chamber last week, Mr. Blaikie said he thought his actions—shouting "point of order" at least 40 times—served a purpose and meant his four points were ultimately heard.

The nearly 1,900-word ruling Monday noted nothing in Vote 40's wording seeks to amend existing legislation and noted the language clearly says the Treasury Board is expected to transfer funds to other departments.

"While [Mr. Blaikie] argues that Vote 40 is of a different nature than other central funds, I am not convinced that Treasury Board lacks the legal authority to manage it," Mr. Regan said, adding "this would require a rather narrow reading of the Financial Administration Act."

But a Parliamentary Budget Office report last month suggested the approach is "somewhat novel," because it asks Parliament to provide funding before it goes through the Treasury Board submission process, which scrutinizes intended departmental spending.

The government has allocated \$1.2-billion of the disputed \$7-billion ahead of Thursday's vote as of Tuesday, according to the government's online reporting of allocations, which opposition said shows the programs haven't yet been planned and shouldn't receive Parliament's approval.

In the past, only contingency reserves—valued at one-tenth of the \$7-billion vote—avoided such scrutiny through a central vote process.

Mr. Regan said this design still leaves it to Members to decide, through studying and voting, wheth-

er money is granted.

"In the case of Vote 40, some Members may wish that the request had been in a different form. In the end, they are left to make a decision on the request as the government has presented it."

Mr. Blaikie also showed several examples where he felt the government was asking for money before the relevant legislative infrastructure was in place, but Mr. Regan provided rationale for each example. In at least one case Mr. Blaikie said he saw it as a "nuanced detail that ultimately allowed the government to wiggle out" of a spending choice he felt was clearly inappropriate.

'Exploring all the options': Blaikie

Mr. Blaikie said he's still "exploring all the options" ahead of Thursday, when House Leader Bardish Chagger (Waterloo, Ont.) said the government has planned the main estimates vote in the evening.

While the list of options has shortened, he's not discounting last-minute ideas.

"It's been a very dynamic situation. I couldn't have predicted what would happen at committee," he said in reference to Monday's last day of study at the House Government Operations and Estimates Committee, when he engaged in a semi-filibuster and spoke almost-uninterrupted for about an hour before the Liberal MPs walked out ahead of Question Period.

He acknowledged his approach isn't "the most productive exchange at committee," but he said he doesn't think it's acceptable for MPs to be "walking away from accountability."

"That's the tension that you get," Mr. Blaikie said.

While the committee was scheduled to resume Monday evening, Mr. Blaikie said none of the Liberal MPs showed up and so at midnight, the vote was "deemed approved" by the committee and sent back to the House.

During that committee Mr. McCauley said former MPs he spoke with were "aghast" with the approach, and stressed many departments weren't able to substantiate where their numbers came from.

"If [programs] are under development, do you not believe that it's incorrect to

ask Parliament to approve money that hasn't been developed, or the plans on how this money is going to be spent?" he asked Treasury Board official Brian Pagan.

"Isn't it putting the cart before the horse?"

"It's a valid point," replied Mr. Pagan. "We struggled with the best way of achieving that alignment to the budget. At the end of the day the estimates provide 'up-to' amounts. The money need not be allocated or spent."

The goal was to provide information to Parliament as early as possible in the fiscal year, Mr. Pagan said, while stressing department plans have never included budget spending. That level of detail would come out in supplementary estimates.

A few days before when Mr. Brison (Kings-Hants, N.S.) appeared before the Senate Finance Committee Conservative Senator Elizabeth Marshall (Newfoundland and Labrador) accused the government of promising an Australian model but offering nothing like it.

"I feel like we've been led down the garden path," she said during the June 7 meeting.

Agreeing Australia is "the gold standard," Mr. Brison said it is still the goal but that getting the sequencing right was "a major step" in that direction.

"That does take time. Getting the sequencing right is a requisite to all the other work that can and must be done in terms of baking into the system the kind of work that brings together both Treasury Board work and that of the Department of Finance."

He said that relationship "has deepened" over the last years and during his term as Treasury Board president, and the goal is that their work will be "done contemporaneously and together," offering reportage and analysis similar to Australia.

But Mr. Blaikie said the current set-up shows that Mr. Brison didn't get buy-in from the finance department or the Prime Minister's Office on that approach, which leaves Parliament with an imperfect, in-house Treasury Board solution.

"He's talking a lot about math but he's not doing what it takes to get us to that model and he's asking for Parliament to seriously compromise its powers of oversight in the meantime."

swallen@hilltimes.com
The Hill Times



Daniel holds a press conference in the foyer of the House of Commons to discuss his concerns with the National Press Gallery.

House of Commons, May 30, 2018

Mr. DANIEL BLAIKIE

(Elmwood–Transcona, NDP)

“The fact of the matter is that for an organization as large as the Government of Canada, if it is going to have proper accountability for spending, it needs to have multiple accountability mechanisms.

Parliament is one of the most important and fundamental of those mechanisms. Therefore, it is wrong for us to be undermining the power of Parliament to provide effective oversight for government spending. [Parliament] is one of those important checks and balances, and if we allow each of those checks and balances to be undermined because no one check and balance is the be-all and end-all, eventually we are going to find ourselves in a situation where we do not have an appropriate number of checks and balances.

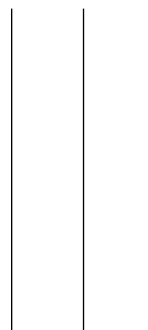
As I say, Parliament is one of the most important because it is the accountability process that gives the political and moral legitimacy for government to pursue certain measures. It is not a simple control. It is actually one of the most important controls because it is the one that confers legitimacy to government programs.

That is, in essence, the real problem with Treasury Board vote 40, or the budget implementation vote. It does not allow Parliament to do its job.”



NO
POSTAGE
REQUIRED

DANIEL BLAIKIE
MEMBER OF PARLIAMENT
HOUSE OF COMMONS
OTTAWA ON K1A 0A6



1. Did this report provide information that is useful or interesting to you?
 YES NO
2. Do you appreciate Daniel's work holding the government to account on how they spend public money?
 YES NO
3. What other issues do you think should be my priorities as your Member of Parliament? (check all that apply)
 Pensions
 Healthcare
 Affordability
 Environment
 Other:

FOLD

Tell me what you think

Name: _____

Address: _____

Postal Code: _____

Telephone: _____

Email: _____



Daniel's work recognized in the House:

House of Commons, June 14, 2018
Mr. KELLY McCaULEY (Edmonton West, Conservative Party of Canada)

“Mr. Speaker, I want to thank my colleague from Elmwood–Transcona for his excellent speech and his work fighting the Liberal slush fund.

Mr. Speaker, my colleague from Elmwood–Transcona has done yeoman’s work on trying to hold the government to account and shed some light on this estimates process. The member is 100% correct. There is zero ability for parliamentarians to hold the government to account.”

House of Commons, June 5, 2018
Mr. PAT KELLY (Calgary Rocky Ridge, Conservative Party of Canada)

“Mr. Speaker, the budget and its implementation act work in concert with the estimates process that actually gives legal authority for expenditures by the crown. I know that the hon. Member [Daniel Blaikie] is a very diligent and concerned member when it comes to government structures around the spending powers of the crown.”



What does fiscal responsibility mean?

Fiscal responsibility does not mean simply slashing services and cutting taxes. It means investing in the right things, at the right time, and raising the revenue to pay for it.

TAX FAIRNESS

While small, targeted tax cuts can sometimes spur economic growth that grows government revenue, slashing and hacking every time there is a downturn is not a sustainable economic strategy. In fact, a growing body of evidence suggests it can more often do more harm than good.

Canada's corporate tax rate was lowered from 28% in 2000 to just 15% today. That means considerably less government revenue. While Canada goes further into debt, corporations are walking off with bigger and bigger profits that are shared only with their executives and shareholders.

The richest Canadians get a number of sweetheart deals when it comes to paying their taxes, including agreements that allow them to move their money offshore legally to avoid paying taxes in Canada. With that money, we could support more Canadians struggling to make ends meet, without having to go further into debt.

EFFICIENT PROGRAMS

Several studies have now shown that Canadians could be saving billions of dollars a year if we had a national pharmacare program to provide the same prescription drug coverage to all Canadians. Yet, the Conservatives do not support such a program and the Liberals have been dragging their heels for over 20 years.

Research on the Quebec affordable childcare program suggests that the number of parents reentering the workforce once accessible, affordable childcare is in place, raises significant new tax revenue and reduces

the draw on existing social programs; possibly enough to cover the cost of the program.

Innovative policies like these can save us money, while making life more affordable for everyday Canadians.

TARGETED INVESTMENT

Even when the rich are paying their share and we have well-run social programs, the economy can still take a downward turn for any number of reasons.

During those times, it can make sense to borrow to invest in needed infrastructure and keep people working. We are on the cusp of needing more personal care home space, for example. That need will not wait on a balanced budget.

Fiscal responsibility also means taking the long view. Failing to invest in the health needs of an aging population now may mean expensive crisis management ten to fifteen years from now.

The problem in Ottawa is that the Liberals cannot balance the budget because any credible plan to do so would require them to stand up to their wealthy and well-connected friends; something they have proven they are not willing to do. Their inaction on the problem of tax havens is a case in point.

TRANSPARENCY & ACCOUNTABILITY

At the end of the day, budgets reflect our values and what we choose to prioritize. Whatever choices a government makes, and whatever their political stripe, it is most important that they be transparent about how they are spending money.

If governments are open about what they are doing and how they are doing it, they can be held accountable at election time for their performance. That is why it is such an important part of an elected representative's job to scrutinize government spending.

Liberals have a stronger sense of entitlement than accountability.



House of Commons, May 30, 2018
Mr. DANIEL BLAIKIE
(Elmwood–Transcona, NDP)

“Canada’s constitutional monarchy is largely based on the British model, which developed largely through Parliament’s efforts to limit or appropriate royal prerogative power. The most significant way in which it achieved that goal was by gaining control over public expenditures and the power to raise revenue. The creep of power does not always come by way of conniving maniacs. Sometimes it comes a little more gently with the sense of entitlement typical of those accustomed to power.”