

**CANADIAN PENSIONERS CONCERNED, INC.
NATIONAL**

10 TRINITY SQUARE
TORONTO, ONTARIO M5G 1B1
TEL: 416-368-5222 FAX: 416-368-0443
Email; canpension@lefca.com
www.canpension.ca

SUBMISSION

TO

STANDING COMMITTEE ON FINANCE

HOUSE OF COMMONS

ON

PRE-BUDGET CONSULTATIONS

SEPTEMBER, 2003

**GERDA KAEGI, PRESIDENT
MAE HARMAN
ED WATSON
MICHAEL WOLFISH**

Introduction

Once again Canadian Pensioners Concerned, Inc. is pleased to respond to the invitation to participate in the pre-budget planning of the House of Commons Standing Committee on Finance. As an organization of seniors, we are especially concerned about the needs of those citizens which are not adequately being met. We live in a society where so much stress is placed on the making of profits, often at the expense of those who are low income by circumstances that limit them from full participation in the society around them. Often the taxation system, instead of meeting their needs, adds to their inability to achieve their full potential and society is deprived of the contribution they could make as well.

Early in the history of mankind, people began to establish communities for mutual protection and support. They elected leaders to help them establish rules for living together. Today we have very sophisticated systems of government which establish laws, rules and regulations for the people, some of which fail to respond to the wishes of the people in a democratic fashion and others which may respond more to the power of those with money than to the wants of those who are less advantaged economically. In order to carry out governmental responsibilities, the people are taxed. Taxation is the cost of democracy.

1. Taxation, spending, economic growth, balanced budgets and debt-to GDP ratio.

Taxation must be used to restore our social programs, develop our conservation programs, rebuild and redevelop our infrastructure and our transportation and communication systems [including the CBC], and make a contribution to peace and stability in those countries in need of our assistance and skills.

Prudent economic forecasts for the coming years show real opportunity for decreasing the public debt in relation to the economy while providing scope for spending on social and other programs.

Canadian Pensioners Concerned believes in taxation if it is fair and progressive in terms of ability to pay. We see taxation as the expression, in fiscal terms, of the policies and programs of the government responding to the real needs of the Canadian people. The critical test should be, is it fair, is it equitable, and is it in the broad public interest? Too often it is not.

Taxation

We are not in favour of “tax cuts” so long as there are people who are hungry and homeless; so long as there are young people saddled with tremendous debts if they manage to hang in and complete their education; so long as there are people working in low paid jobs with no future; so long as there are handicapped persons cut off from full participation in the community; so long as our health care system requires such long waits and our home care system fails to meet the needs of those who want to stay in their own homes as long as possible; so long as we fail to train sufficient numbers of professional staff to provide adequate care and place impossible burdens on those who hang in and staff our institutions. Tax cuts provide a disproportionate benefit to the wealthy and do little to help economic performance. Furthermore, it has been shown that tax cuts do not stimulate the economy. They simply favour the well-to-do.

Business will not invest in the real economy if there are marginal returns. Instead, with money saved through tax cuts, they will invest in the stock market, the speculative foreign exchange market, or, make real investment in those countries where wages are lower and have minimal environmental regulations. In contrast, government spending on social programs, on infrastructure, is in effect a redistribution of wealth and thus more money remains in the hands of the general population who do spend it on consumer goods and services.

Strengthening Employment Insurance benefits would do much more in saving and creating jobs than corporate tax cuts. The spending needs of families receiving E.I. benefits typically exceed their income following the loss of a job. Therefore, these families are likely to spend a high percentage, if not all, of any additional income they

receive during their period of unemployment. This spending maintains demand for products and services, and thus may protect the jobs of workers in the firms that produce these goods or deliver the service.

International Responsibilities

Canada must help other countries to fight the dreadful scourge of HIV/AIDS and develop programs to prevent other illnesses; to improve health care in general and provide a good level of nutrition; by assisting in educating their people to meet their own needs; to assist them in the provision of their own food and in marketing skills both at home and abroad. In these ways we can not only contribute to true globalization and world understanding and peace, but also ultimately benefit our own economy and people. In this regard, we applaud the United Church of Canada in their “Signatures of Hope Campaign” which promotes a vision of development in which people matter.

Education

Federal investment in research and higher education must be strengthened. It is obvious self-interest to do so. A highly educated population is a key factor in economic growth and job creation. Higher education must not be allowed to revert back to the times when it was primarily the preserve of the privileged few in society. It is a tragedy that students are coming out of our Universities and Colleges with such huge debts and that many others have to drop out because they can no longer do justice to their programs and survive financially. Education is a life long process and we need federal, provincial, territorial governments and the broader community working together to ensure education is available to all. In this regard, we wish to draw attention to the special needs of those with disabilities. Many need special help in achieving their full potential and both physical and academic support needs to be made available to them so that they can truly participate. Incentives should be created to encourage industries and employers to provide employment opportunities for handicapped persons.

Immigrants

Immigrants are essential to the social and economic fabric of our society. More assistance is needed for integrating newcomers to Canada. Most have come here seeking a better life. They need more help with learning the language and rules of our society. The Federal government must work more effectively with the provinces to eliminate the artificial barriers immigrants face establishing their professional careers in Canada. We are wasting the special skills they have brought, skills that can contribute to the economy and the well-being of our society. Immigrants need to be met with greater acceptance and appreciation of the contribution they can make. The Government needs to provide financial and other assistance to those organizations that are motivated and skilled in helping newcomers with housing, education, employment, etc. Communities must be encouraged to welcome these people and their talents. If they are admitted to Canada they must be assisted in their integration.

The Environment

As we have maintained in previous presentations, there is a need for much greater effort to protect our environment - our water, our forests, our farmlands, our air and our food. Targeted tax credits for industry and individual citizens should be developed that will lead to the improvement in the quality and sustainability of our environment while ensuring efficient use of our resources. We must increase our public and private investment in new environmentally supportive technology while at the same time we must aggressively pursue conservation practices. On the world scene we must fulfill our commitment to Kyoto and give leadership in moving it forward by both word and deed.

2. Taxation, spending and measures to invest in, and care for, all Canadians.

The basic exemption for individuals should be increased and fully indexed to inflation.

Tax brackets should also be fully indexed to inflation and the two upper income tax brackets for those earning over \$100,000 should be restored.

The GST tax credit for seniors and disability tax credits need to be increased.

Capital gains should be taxed at the same rate as employment income.

The Child Tax Benefit should be increased and a stop must be made to provincial “clawbacks” of the benefit. (The right hand giveth – the left hand taketh away!)

The Canada Pension Plan must be adjusted to give credit to workers who have had to leave the paid labour force to provide essential care to family members.

Federal Spending

Federal spending must be strategically targeted and clearly accountable. The public must know that its tax dollars are being spent on the programs they are intended to support. A yearly evaluation/report must be provided in terms that the layperson can understand. In this context, the provinces’ refusal to move ahead with the Canada Health Council as recommended by the Romanow Report on Health is unacceptable and contrary to the will of the Canadian people. The provincial governments must not be allowed to turn the Council into a meaningless body. The Federal Government must act unilaterally this year in order to get the Council underway and ensure it is not a piece of hollow obfuscation.

Children

We must invest in the well-being of children and reduce child poverty. The government should reassess the positive impact Family Allowances had on the quality of family and national well-being. It was enormous. A National Childcare Program is long over due. It is one critical step in tackling the issue of child poverty.

Housing

Housing is an area of great need. We need to have Central Mortgage and Housing return to its role of assisting co-operative and Public Housing developments. We are in desperate need of safe, clean, affordable housing for low income families and individuals. Everyone should have the right to a home to call their own, with some degree of privacy. For some people shelters may be a temporary solution but they are at best only a temporary answer. Putting whole families up in a rundown motel, far from their

communities and friends and having children move from school to school does not add to their stability or sense of worthiness. Turning seniors out of once affordable apartments where they have lived for years so that developers can build more condos that only the well to do can afford only exacerbates health problems. There are very long waiting lists for any assisted housing. The government needs to move quickly to make affordable housing available.

Health Care

We are totally opposed to any privatization of health care. Health care is not a commodity to be marketed but a service to people. It should be paid for through taxation and without preference to those who might be able to afford to pay. It is not provided more efficiently or economically by those who seek to make private gain from it. The Federal Government must use its powers under the Canada Health Act to stop the growing privatization of health services. This will only be meaningful if the Federal Government's cash transfers are substantially increased

Primary Care

We support the concept of Primary Health Care where services are delivered on a twenty four hour/seven days a week basis by an interdisciplinary team composed of a variety of providers such as dietitians, physiotherapists, social workers, medical radiation technologists, family doctors, nurse practitioners, registered nurses and others. Working as a team, they share responsibility and accountability for care.

Home Care

Home Care must become part of the National Public Health Care system (covered by the Canada Health Act). Since home care is presently not covered by Medicare, it varies from province to province in how it is programmed and financed. In many provinces people are sent home from hospital sooner than previously and often requiring sophisticated care which is not available to them. Seniors and others who wish to age in place (in their own homes) are often unable to get adequate care, with preference going to those coming out of hospital. Adequate funding is not available to provide the support and assistance

needed. Similarly, nursing homes do not have adequate staffing to provide care with dignity and compassion. Family caregivers are not given adequate support. Home Care needs to be reorganized as a legitimate and integral part of Medicare and adequately financed.

National Pharmaceutical Policy

Romanow called for the creation of a national pharmaceutical drug agency which will improve the evaluation of drugs and help limit the soaring cost of drugs. This agency must be created quickly. The government must also act now to stop the abuse of patents by the researched based pharmaceutical industry. Canadians will not be able to afford Medicare if we do not quickly tackle the outrageous costs of prescription drugs. In the meantime our health care continues to deteriorate. Some provinces proceed with the privatization of more services, while the public is left to contend with long waiting periods, tired personnel and severe unmet health care needs.

Natural and Other Major Disasters

As parts of Canada have been reeling from one disaster to another-huge fires, floods, SARS, one mad cow, the Hydro blackout, obviously we need to have funds set aside so that our Federal Government can come to the rescue of citizens caught in often quite unpredictable situations. On the other side of the coin, some of these situations may not have arisen if there had been proper planning in advance and the necessary services had been available and prepared to deal with the problem before it reached catastrophic proportions. Given major threats to citizens and the environment, early/timely communications with the public is essential. The SARS situation is a case in point where we were not adequately prepared to take adequate measures to protect patients and staff, even within the hospital setting and where inordinate pressures were placed on health personnel at all levels. On such occasions, instead of all levels of government supporting each other in dealing with the emergency, the public is confused by the bickering between levels of government as to who will pay and how much instead of working together to solve the problem and relieve the distress.

3. Urban, rural and remote communities

Communications

Canada is no longer a largely rural society but is composed of large cities and towns with suburban sprawl where many people journey daily to work in the city. Affordable convenient transportation is required if we are to keep our businesses running. This means that roads and rails and airlines that connect people with each other must be kept up to-date and in repair and with a maximum of safety and with a minimum of pollution. We are way behind in this effort, suffering from choked highways, pollution, and long delays. We need better help from all governments in planning our use of land and our communication systems.

Federal/Local Relations

Across the country, our municipalities have had many of the responsibilities formerly carried by the provinces “dumped” on them. Equivalent financial reimbursement for devolved services has not been forthcoming. Even monies promised have not been forthcoming. Sometimes Federal money designated for local purposes has been held back by the province. The Federal Government must devise a way of assuring that money they designate for local projects is transferred to the local municipality without delay and with open disclosure to the public.

Local Government Financial Resources

Our large cities have become the engines that drive our economy and are the homes of the vast majority of our people. Property taxes cannot possibly take care of the needs of the contemporary city. Through income taxes and various goods and services taxes, etc. the taxes that flow out of the city to provincial and Federal governments is far greater than the money that flows back in terms of grants. It is time for some new reckoning on this account.

Remote and Rural Communities

Remote and rural communities must be connected to high speed electronic communications –