



Rethink, Rebuild, Renew.

10 solutions for the federal budget

1 Reduce poverty by 25% within the next five years

HISTORY SHOWS RECESSIONS take the hardest toll on Canada's poor, widening the income gap between the rich and the rest of us, and leaving a greater number of Canadians on the margins. Even before recession struck, 1 in 10 Canadians lived in poverty — during the best of economic times. That number grows to 1 in 4 for immigrant and racialized women, women with disabilities, and Aboriginal women and men.

Now, more than ever, it's time for our federal government to support the poverty reduction efforts of Canada's provincial governments. With federal leadership, Canada could become a world leader by setting clear poverty reduction targets and making good on them. AFB 2011 outlines a plan to reduce poverty in Canada by 25% in the next five years.

2 Restore a fair tax system

THERE IS NO easier political enticement than that of the tax cut, but it comes at a cost. The total cost of the Harper government's tax cuts between 2006 and 2013–14 is a staggering \$220 billion. At issue, in particular, is the Harper government's race to the bottom on corporate taxes: it insists on cutting the corporate tax rate even further, to 15%.

At the same time, tax breaks for stock options in executive pay leave taxpayers on the hook for their big bonuses. And Canada's richest 1% are doing better than they have since the roaring '20s. There's room for them to contribute to the health and well-being of all Canadians. The AFB proposes a series of tax changes that restore fairness to Canada's tax system and contribute to job creation and the expansion of public services that keep Canada working, such as national child care.

3 Make the Employment Insurance system work for those who lose their jobs

TODAY, LESS THAN half of Canada's 1.5 million unemployed workers collect Employment Insurance (EI) benefits, even though the national unemployment rate is

almost 8%. Special EI measures introduced in the 2009 federal budget have expired — long before a real labour market recovery.

The Alternative Federal Budget shows how the employment insurance system could work for those who have lost their jobs by extending benefits, providing special training benefits, and lowering the entrance requirement of 360 hours. The AFB also improves supports for post-secondary education. These reforms would help to stimulate hard-hit communities as well as the overall economy.

4 Repair our cities and create jobs with a national public infrastructure build program

DECADES OF CUTS in infrastructure funding, coupled with the downloading of several programs and services to municipal governments, have resulted in a "municipal infrastructure deficit," conservatively estimated at \$123 billion by the Federation of Canadian Municipalities.

The recession proved that all three levels of government could work together in the best interests of Canadians. The Alternative Federal Budget lays out a collaborative social and physical infrastructure program to help keep jobs alive and strengthen Canada's public programs and infrastructure such as roads, bridges, water mains, and public buildings.

5 Implement a publicly insured pharmacare plan for all Canadians

THE CURRENT SYSTEM for buying prescription drugs in Canada is a hybrid system of multiple public and private drug plans. The diversity of drug plans means that Canadians are covered for their drugs according to which province they live, or where they work, but not necessarily according to their medical needs. More than 3 million Canadians admitted not filling a prescription in the last year because of costs they couldn't afford.

The Alternative Federal Budget shows how a universal publicly insured pharmacare plan could save an estimated 43% (\$10.7 billion) on Canada's annual prescription

drug bill. The savings will offset the programs start-up costs and most of the savings go to the provinces where drug costs have been pressuring health care budgets.

6 Protect and improve public pensions

MORE THAN TWO-THIRDS of Canadian workers have no workplace pension plan, and only about one-third of those eligible to contribute to an RRSP actually do so. Canada's public pension systems aren't enough to provide decent retirement income for Canadians.

The Alternative Federal Budget proposes changes to the Canada Pension Plan (CPP), Guaranteed Income Supplement (GIS), and Old Age Security (OAS) that would help to eliminate poverty among the elderly, particularly among elderly women.

7 Support families by creating universal publicly funded child care

AT LEAST THREE-QUARTERS of Canadians support a national child care program and consider the lack of affordable child care to be a serious problem. Child care creates jobs, grows the economy, and more than pays for itself over the long term. Federal leadership on early childhood education and care is the last remaining barrier to achieving significant progress.

The Alternative Federal Budget establishes a policy framework for collaboration with provinces and territories, providing significant funding support to build universal public early childhood education and care.

8 Invest in First Nations

IN A CLIMATE of continued fiscal constraint, strategic investments in First Nations and their citizens make sense. First Nations have been in a state of deep economic crisis. They lag significantly behind the rest of Canada on all socio-economic indicators. Indigenous peoples in Canada also represent the youngest and fastest growing population in the country. Dealing with atrocities of the past, and our hope for the future, is a priority.

This year's AFB provides improved support for First Nations governments, lifelong learning programs, investments in better health and healing, economic opportunities, environmental sustainability, opportunities for

post-secondary education, and community infrastructure such as clean water. It also restores justice for First Nations women, starting with a significant investment to support Sisters in Spirit.

9 Make Canada an international environmental leader

CANADA'S ENVIRONMENT IS central to Canadians' prosperity and health. Delaying action on solving Canada's environmental problems will result in missed business opportunities, increased financial and economic costs for future environmental protection, and greater risks to Canadians' collective health and climate.

The Alternative Federal Budget has developed a comprehensive plan to address Canada's complex environmental challenges and make Canada an environmental leader. It shows how we can transform the Canadian economy into a world-leading, environmentally restorative economy that creates jobs and preserves the enviable quality of life of its citizens.

10 When it comes to deficit reduction, don't press the panic button

COMPARED TO MOST developed nations, Canada's fiscal situation is enviable. Canada's deficit is expected to dwindle to \$11.7 billion within two years (2013–14). Even if Canada spent an additional \$500 billion in job creation initiatives and public service provision, we'd still have the lowest debt-to-GDP ratio in the G8 (tied with Germany). Deficit reduction is the wrong goal. No need to press the panic button.

Instead, let's use this moment to address the \$123 billion in aging infrastructure repairs to the roads, sewers, water systems, bridges, and buildings our parents' and grandparents' generation built for our collective benefit. Repairing and building our physical and social infrastructure creates jobs, provides needed services (like \$10-day child care), brings Canada into the future (such as a national internet connectivity strategy), as well as creates and protects jobs when we need them. The Alternative Federal Budget achieves all these goals in a fiscally responsible manner, showing how all these targets can be achieved while reducing the deficit almost as quickly as the government plans.



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