



# MINORITY REPORT

FIRST SEMESTER				
	GRADE	ABSENT	TARDY	
1ST 9 WEEKS				
2ND				

## A Report Card on the 2004–05 Minority Government

	GRADE	ABSENT	TARDY	
1ST 9 WEEKS				
2ND 9 WEEKS				
EXAM				
SEMESTER				
INSTRUCTOR				
PRINCIPAL				

Alternative Federal Budget 2006

# AFB Minority Report 2006

The goal of the Alternative Federal Budget is to demonstrate what a government could accomplish if it were genuinely committed to a progressive economic and social agenda, within a responsible fiscal framework.

The Canadian Centre for Policy Alternatives has been assisted in this work by the expertise and critical analysis of many organizations who participate in the AFB process. We are grateful for their help and support.

## Participating Organizations

Assembly of First Nations (AFN), Canadian Auto Workers (CAW), Canadian Conference of the Arts (CCA), Canadian Council for International Cooperation (CCIC), Canadian Housing and Renewal Association (CHRA), Canadian Labour Congress (CLC), Canadian Research Institute for the Advancement of Women (CRIAOW), Canadian Union of Public Employees (CUPE), Centre for Community Study, Child Care Advocacy Association of Canada (CCAAC), Canadian Feminist Alliance for International Action (FAFIA), Green Budget Coalition, Monica Townson & Associates, National Anti-Poverty Organization (NAPO), National Association of Friendship Centres (NAFC), National Organization of Immigrant & Visible Women of Canada (NOIVMWC), Polaris Institute, Registered Nurses' Association of Ontario (RNAO), United Steelworkers of America (USWA)

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## A Report Card on the 2004–05 Minority Government

# Minority Report

One of Canada's most persistent political myths is that only strong (read "majority") governments are able to make meaningful change. The reality is frequently the reverse. Minority Parliaments have often been the most effective in terms of achieving real progress for people.

Old Age Pensions were introduced in Canada in 1927 only after two Labour MPs, James S. Woodsworth and Abraham A. Heaps, offered to support Prime Minister William Lyon Mackenzie King's minority government in return for Mackenzie King's promise to pursue the issue of public pensions.

In recent years, two full decades of back-to-back majorities under successive Conservative (1984–1993) and Liberal (1993–2004) governments have delivered largely on the demands of corporate Canada, not the broader electorate. For Canadian citizens, election promises seemed to vaporize. Instead, these majorities delivered:

- the end of universal benefits for children;
- repeated attacks on Old Age Security benefits;
- massive cuts for health, education, and social assistance;
- removal of federal support for affordable housing;
- gutting of unemployment insurance;
- offloading of programs such as training and welfare to the provinces;
- the introduction and entrenchment of both NAFTA and the GST;
- closer harmonization to U.S. standards and regulations in areas such as health and the environment; and closer integration on intelligence and military security.

These majorities would never have been elected if their intentions had been clear to the electorate, and would have scored failing grades on any program which could be described as a "people's agenda."

By contrast, the back-to-back minority governments of Lester Pearson, (1963–68) delivered real and lasting benefits to Canadians, including: the Medical Care Act, the Old Age Security Act, the Maple Leaf flag, the Royal Commission on Bilingualism and Biculturalism, the Canada Pension Plan, the Guaranteed Income Supplement, the Canada Assistance Plan, the Canada Student Loan Program, and increased federal transfers to the provinces for health and education.

**In recent years, back-to-back majorities under Conservative and Liberal governments have delivered largely on the demands of corporate Canada, not the broader electorate.**

Important in themselves for what they contributed to individual Canadians' economic security, these minority government achievements — especially Medicare — also became touchstones of the Canadian community and pillars of our national identity.

Recent back-to-back Liberal majority governments had no such vision. Rather than build this country, Liberal majorities adopted the downsizing and outsourcing strategies of the corporate sector — their major objectives to offload responsibilities, lower expectations, and get government “out of the way” of big business.

*That agenda was stalled, at least temporarily,* under the minority Parliament of 2004–05, when tough negotiations between the Liberals and the NDP rewrote the 2005 Federal Budget. Pressured to deliver on important election promises rather than reward corporate supporters with billions more in tax cuts, the Martin government agreed to divert \$4.6 billion to programs to improve the well-being of ordinary Canadians — with \$1.6 billion going to affordable housing, \$1.5 billion to reduce tuition fees and improve training, \$900 million for the environment and energy efficiency, \$500 million to foreign aid, and \$100 million to protect workers' earnings in case of company bankruptcy.

These measures represented significant progress in meeting key goals of the CCPA's Alternative Federal Budget — demonstrating that budgets are fundamentally about choices — and better choices mean better outcomes for all Canadians.

The reality of life for a minority government is the need to respond to the electorate, and between 2004 and 2005 this reality made a difference on many fronts.

On international issues, pressure from the Canadian public, the NDP, the Bloc, and a divided caucus prompted Paul Martin to reject participation in the U.S. ballistic missile defence program, and to openly challenge the U.S. on softwood lumber.

On economic development: in 2004–05, Canada, for first time in many years, became proactively involved in programs to support jobs and opportunities for Canadian workers, targeting high-value-added sectors for investment, and increasing public investment in technology, R&D, higher education, and skills development to raise productivity levels and improve job quality.

The reality of life for a minority government is the need to respond to the electorate, and between 2004 and 2005 this reality made a difference on many fronts.

On the social front, the promise of a national child care program gained new life just before the government fell, with Agreements in Principle finally signed with all provinces. It appears now that with ongoing vigilance of parents and activists and continuing pressure in the House of Commons, Canadian families could finally have a national childcare program.

On process, parliamentary committees became more open to viewpoints that differed from the government's agenda — in areas as diverse as missile defence, workers' rights and electoral reform. The results have been encouraging — from Canada's rejection of U.S. missile defence, to legislation ensuring workers' contracts are protected in corporate bankruptcy, to unanimous support in Committee for Ed Broadbent's campaign for electoral reform which opened a national debate on the issue.

For Aboriginal Peoples, the dying days of the minority government also brought new hope through a landmark agreement to close the gap between Aboriginal Peoples and other Canadians in health, education, housing and economic opportunities. This also included a national apology and compensation plan for those who suffered sexual and physical abuse in residential schools. In this report we have awarded the minority Parliament a grade of Incomplete on Aboriginal issues. We can place a checkmark on "Promises Made" — and work to ensure the next government can add its checkmark next to "Promises Kept".

On health care, the Minority Parliament was able to lever significant new investment, plus new measures to improve wait times, Aboriginal health and support for caregivers; all welcome initiatives. But on the central issue for Canadians — how to prevent the conversion of Canada's treasured universal public health care system to U.S.-style for-profit medicine — the goal remains stubbornly elusive as long as the government in power refuses to control the proliferation of for-profit medicine. That refusal and the resulting stalemate between the Paul Martin government and the New Democrats was the trigger-event that brought down the government on November 29.

Despite its short shelf-life, the recent Minority Parliament did make some progress on policies that benefited most Canadians. But much more needs to be done. A decade after Paul Martin's watershed budget of 1995, when Canada supposedly hit a "debt wall" and began starving the kids to pay off the mortgage, Canadians are repeatedly told that our economic performance exceeds that of any other nation in the G-7.

Despite progress in a number of areas, the poor keep falling further below the poverty line, Medicare is increasingly threatened, and inequality soars.

The reality is that, despite progress in a number of areas, the poor keep falling further below the poverty line, Medicare is increasingly threatened, and inequality soars as jobs and incomes become more polarized and tax cuts designed to deliver maximum benefits to the wealthy widen the gap.

The prospect of fiscal surpluses far into the future has done little to dampen Liberal enthusiasm for doing less with our money. They still don't feel they can spare 1% of our budget to provide affordable housing, or allocate 0.7% of our GDP to meet our international commitments to aid the one billion people in the world who live in abject poverty. Nor does the government's plan, outlined in the most recent Economic and Fiscal Update, indicate a change of direction any time soon. After setting aside a \$31.5 billion pad for "contingency reserves" and "prudence," the Liberal government projects an additional \$54.5 billion in surplus revenues over upcoming years — and then diverts \$39 billion to tax cuts that will go primarily to the well-off and to corporations wallowing in record profits<sup>1</sup>.

The real message of the Paul Martin/Ralph Goodale Economic and Fiscal Update is that, in their hands, our wealth is a kind of poverty. When a government deliberately and repeatedly understates its fiscal position on the pretence that solutions are unaffordable; when it sets targets to reduce debt and cut corporate tax rates, but none to reduce poverty; when it collects more revenue than it needs, but can't remember that a \$200 tax cut is a poor tradeoff for being unable to drink your tap water — then we are seeing a poverty of vision so profound it has forgotten its purpose.

They don't need a mandate. They need a counterweight in Parliament to ensure that they don't keep renegeing on their promises to the electorate.

**Overall, the Alternative Federal Budget awards the 2004–05 Martin Minority a C grade — for "some progress."**

What follows is a detailed report card on this Minority Parliament. It outlines the problems, grades the efforts, and outlines an unfinished People's Agenda for the next government. Our agenda is affordable. It's doable. But it will require the collective resources of Canadians, and a government committed to putting our money to work for all of us.

**Overall, the Alternative Federal Budget awards the 2004–05 Martin Minority a C grade — for "some progress."**

## Alternative Federal Budget Report Card on 2004–05 Minority Parliament

Aboriginal Peoples	INC.
Arts and Culture	B
Canada-U.S. Relations	C
Cities and Communities	C
Defence	B
Early Learning and Child Care	B
Employment Insurance	D
Environment	B-
Fair Taxes	F
Foreign Aid	C
Gender Budgeting	C-
Health Care <i>on Reinvestment</i>	B
<i>on Privatization</i>	F
Housing	C-
Post Secondary Education	B-
Poverty	C
Retirement/Pensions	C+
Sectoral Development	C+
Training	C

**A**=Excellent progress

**B**=Good progress

**C**=Some progress

**D**=No progress

**F**=Situation has worsened

**INC.**=Incomplete

# 1 Aboriginal Peoples

## WHAT'S THE PROBLEM?

- ▶ Currently, 44% of Aboriginal peoples aged 20–24 have less than high school education, compared to 19% for Canada as a whole.
- ▶ For Aboriginal peoples, infant mortality is 20% higher than for other Canadians, Type 2 Diabetes is three times more prevalent, and suicide rates are 3–11 times higher, particularly among Inuit.
- ▶ On reserves, the housing shortage is 35,000 units, and growing by 2200 per year.
- ▶ Off reserves, core housing need is 76% higher for Aboriginal households, and in the North, housing need is 130% higher.
- ▶ Unemployment is 19% among Aboriginal peoples, compared to 7.4% nationally, and median employment income for Aboriginal Canadians is \$16,000, compared to \$25,000 for non-Aboriginals.

## WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ Bill C-48, the NDP budget amendment, set aside significant funding for new affordable housing, plus \$1.2 billion over two years for education and skills development for First Nations, Métis, and Inuit peoples.
- ▶ The Political Accords with Aboriginal Groups signed on May 31, 2005 by Aboriginal Leaders and the Cabinet Committee on Aboriginal Affairs.
- ▶ Investment of \$5.1 billion over five years to close the gap between Aboriginal peoples and other Canadians in health, education, housing and economic opportunities announced on November 25, 2005 at the First Ministers' Meeting.
- ▶ Agreement to strengthen relationships between Aboriginal peoples and federal, territorial and provincial governments, including a commitment to follow up with First Ministers and National Aboriginal Leaders in the next two to three years.
- ▶ The Historic Reconciliation and Compensation Agreement for Residential School Survivors, which includes a national apology, an improved compensation process for victims of sexual and physical abuse, a lump sum payment for former students, and a Truth and Reconciliation Commission. The Aboriginal Healing Foundation will receive an additional five years of funding. Total cost of this agreement is estimated at \$4.5 billion.

## WHAT'S LEFT TO DO?

- ▶ Implement recent funding and relationship announcements in a fair, timely and equitable manner.
- ▶ Monitor and report on progress towards closing the gap, based on agreed indicators.
- ▶ Discuss interests and issues of Aboriginal peoples in urban areas.
- ▶ Increase resources allocated to Aboriginal Friendship Centres by \$10 million per year, and invest an additional \$30 million per year in Headstart programs for urban Aboriginal children.
- ▶ Address emerging issues (e.g. violence against women, environmental issues, economic opportunities).

Grade Awarded

**INC.**

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete



## 2 Arts and Culture

Despite the significant economic and social contributions that the arts and culture make to Canada, our working artists and cultural industries are not adequately recognized by the federal government.

### WHAT'S THE PROBLEM?

- ▶ Artists' average earnings were \$23,500 in 2001, an earnings gap of 26% compared to the overall labour force average. Between 1991 and 2001, artists earned 24% less than the average Canadian.
- ▶ Culture is a growth market, with consumer spending on cultural goods and services rising by 36% between 1997 and 2003, much higher than inflation (14%). The \$22.8 billion in consumer spending on culture in 2003 is over three times more than government spending on culture in Canada.
- ▶ Compared with other incorporated Canadian non-profit organizations, arts and culture organizations receive lower funding from government (28% for arts and culture vs. 49% for all non-profits), even though they generate higher revenues from earned sources (50% for arts and culture vs. 35% for all non-profits).

(Data Source: "Key Stats on the Arts in Canada, May 2005", Hill Strategies Research Inc.  
[http://www.hillstrategies.com/docs/Key\\_stats.pdf](http://www.hillstrategies.com/docs/Key_stats.pdf))

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ Bill C-43 confirmed and stabilized funding for the component programs of the "Tomorrow Starts Today" initiative in the amount of \$860 million over the next five years, from 2005–06 to 2009–10, which represents \$172 million annually in new funding.
- ▶ On November 23, 2005, the government announced a stepped increase to the budget of the Canada Council, for a total of \$306.5 million in new funding over the next three fiscal years.
- ▶ Canada became the first country to ratify the UNESCO Convention on the protection and promotion of the diversity of cultural expressions. This new legal instrument recognizes the value of cultural diversity to national and global well-being, and acknowledges that cultural goods and services have more than an economic value.

### WHAT'S LEFT TO DO?

- ▶ Honour the November 23 funding commitment, which includes an increase to the Canada Council for the Arts, in the 2006 Federal Budget.
- ▶ Develop policies to ensure fair tax treatment of artists by the Canada Revenue Agency, including improved tax exemptions and access to social benefits without jeopardizing the status of self-employed contractors.
- ▶ Maintain policies that restrict foreign ownership of media and cultural industries, and curb the concentration of ownership to strengthen domestic cultural expression.
- ▶ Increase funding to the CBC on a multi-year basis and uphold the cultural objectives of the Broadcasting Act in the 21st Century.
- ▶ Restore arts and culture as the "third pillar" of Canada's international diplomacy, and add additional financial resources to Foreign Affairs.

# B

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
 D=No progress F=Situation has worsened ING.=Incomplete

### 3 Canada-US Relations

#### WHAT'S THE PROBLEM?

- ▶ The Bush administration has put pressure on the Canadian government to align its security and military policies so as to be in lockstep in the U.S. “war on terror.” Compliance has resulted in major human rights violations, and the erosion of sovereignty and national identity.
- ▶ NAFTA-driven continental economic integration has made Canada more vulnerable to U.S. coercion and big business blackmail.
- ▶ The Bush administration has ignored numerous NAFTA panel rulings ordering the U.S. to remove its tariff on softwood lumber and return the \$5 billion it has taken from Canadian exporters. This has exposed the charade that the NAFTA dispute mechanism gives Canada secured access to the U.S. market.

#### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ Most importantly, the government declined to participate in Bush’s missile defense (Star Wars) program, though this action has been undermined by massive increases in military spending and the deepening integration of Canada’s armed forces with the U.S. command.
- ▶ Though it is examining the civil liberties consequences of its security actions through the Arar commission and the C-36 review, the government, rather than waiting for the outcome of these reviews, is proceeding with numerous security and intelligence harmonization measures to comply with U.S. demands.
- ▶ It has taken tentative steps to protest U.S. actions on softwood, but its response far from adequate.

#### WHAT'S LEFT TO DO?

- ▶ Take stronger measures in response to the softwood issue, mainly by withdrawing investment and energy benefits given to the U.S. under NAFTA Article 1905.
- ▶ More generally, have a serious debate about the current push to deepen our ties to the U.S. and the wisdom of staying in NAFTA.
- ▶ Stop security and intelligence harmonization initiatives until judicial and parliamentary reviews make recommendations on protecting civil liberties.
- ▶ Halt military integration and focus resources on enhancing an independent military capability. Halt the expansion of NORAD to sea and land as advocated by the Canadian military lobby.
- ▶ Put the U.S. on notice that we will be scaling back our exports of oil and gas to meet Canadian national energy security needs.
- ▶ Expose and halt the stealth harmonization with a broad range of U.S. regulations, including areas of health, environment, and security.

**C**

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
 D=No progress F=Situation has worsened ING.=Incomplete

## 4 Cities and Communities

### WHAT'S THE PROBLEM?

- ▶ Cities have experienced high population growth and are increasingly becoming the engines of our economy. But without adequate investments in transit, facilities, and services, our infrastructure is crumbling, facilities are becoming overcrowded, and services are inadequate.
- ▶ The quality and accessibility of community services are especially important for women, who form the majority of service users and caregivers in communities.
- ▶ Canada's cities and communities are suffering from years of underfunding. They have an infrastructure deficit of close to \$60 billion, and growing at \$2 billion a year.
- ▶ Downloading of responsibilities and cuts in transfers mean that property taxes and user fees now account for up to 80% of municipal revenues. But property taxes don't automatically grow with the economy, and increasing user fees raises a barrier to equal access.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ The 2005 Budget transferred a portion of the federal gas tax to municipalities, amounting to \$600 million in 2005/6 and rising to \$2 billion in 2009/10.
- ▶ Bill C-48, the NDP budget amendment, added an additional \$2.4 billion in spending over two years for public transit, affordable housing, and a housing energy retrofit program.

### WHAT'S LEFT TO DO?

- ▶ A commitment of additional permanent funding for municipalities. Responsibilities for public services need to be better matched with dependable and growing revenue streams.
- ▶ Establishment of a federal infrastructure funding authority that would help to fund up to \$10 billion in cost-shared infrastructure projects with provinces, municipalities, hospitals, universities, and colleges.
- ▶ A national communities strategy developed by a new Department of Community Development that would outline a coherent national vision for cities and communities, to be developed with governments, community organizations, workers/unions, social service agencies, business, and the public.
- ▶ Good Neighbour legislation that would retain ownership of federal property and use it to promote sustainable development and urban revitalization.
- ▶ Funding to support the development of 25,000 units of affordable non-profit housing each year, with 10,000 targeted to low-income Canadians and funding increased for homelessness programs.

**C**

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete

## 5 Defence

Despite the federal government’s pledge to engage Canadians in defining Canada’s role in the world, Canada’s military is being “transformed” into a military force better suited to assist the U.S.-led war on terrorism, while UN-led peacekeeping has all but been abandoned.

### WHAT’S THE PROBLEM?

- ▶ Business lobby groups, defence contractors, conservative think-tanks, and the Bush administration are pressuring Canada to spend more on the military, join missile defence, and become an active participant in the U.S.-led War on terrorism.
- ▶ According to NATO, Canada’s military spending of more than \$14 billion a year is already seventh highest in the 26-member alliance. Budget 2005 will increase military spending to \$20 billion by 2010, the highest level since the Second World War.
- ▶ The United Nations places Canada far down the list of contributors to UN peacekeeping missions at 36th, providing only a few hundred of the more than 60,000 international troops participating in UN missions. In the coming months, Canada’s ranking will drop even lower as our troops are rotated out of another UN mission.
- ▶ Canadian involvement in Afghanistan is increasing in the number of troops, secrecy, and danger. JTF-2 commandos, fighting with U.S. soldiers, are skirting international law by handing prisoners over to the U.S. military. The Martin government has not offered any clear rationale for the deployment in 2006 of an additional 2,000 soldiers to Afghanistan, but has said this will not be a peacekeeping mission and to expect Canadian casualties.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ Faced with opposition from the Canadian public, the NDP, the Bloc Quebecois, a divided caucus, and uncertainty about support from the Conservatives, the Liberals announced that Canada would not participate in the U.S. ballistic missile defence program.
- ▶ Parliamentary committees have been more open to viewpoints that differ from the government’s agenda, such as on missile defence and space weaponization. As well, committees were given the opportunity to conduct their own investigations (e.g., the Chicoutimi submarine accident) and review some federal appointments (e.g., the Canadian Ambassador to the United States, Frank McKenna).

### WHAT’S LEFT TO DO?

- ▶ Update Canada’s more than decade-old defence white paper, engaging Canadians in defining how the Canadian Forces should ensure Canada’s defence and sovereignty.
- ▶ Until a new policy is place, hold the line of defence spending. Stem the waste of defence dollars on illegitimate equipment purchases such as the submarines, the Joint Strike Fighter, and new “smart bombs.”
- ▶ Increase oversight of Canadian Forces operations in Afghanistan and elsewhere, ensuring they conform with international law and Canadians’ values.
- ▶ Return to the top-10 list of contributors to UN peacekeeping operations.

# B

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete

## 6 Early Learning and Child Care

### WHAT'S THE PROBLEM?

- ▶ Despite overwhelming evidence about the need for, and benefits of, quality child care for women, children, families, and society, Canada still lacks a national system of ELCC.
- ▶ Currently, we have a patchwork of underfunded and unaffordable services of varying quality. This means that:
  - Millions of parents who work outside the home lack regulated care for their children, and struggle with home/work conflicts. This costs the Canadian economy an estimated \$2.7 billion annually in time lost due to work absences.<sup>1</sup> Because they continue to have the primary responsibility for child care, these costs also fall largely on women.
  - Since there are only enough regulated spaces for 15.5% of Canadian children,<sup>2</sup> many children — e.g., those with differing abilities and those from groups with diverse cultures, family structures and economic backgrounds — are denied equitable early learning opportunities.
  - The predominately female child care workforce continues to be paid low wages and to receive minimal benefits.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ A five-year ELCC plan with annual increments, **reaching \$1.5 billion annually by year 5**.
- ▶ A series of **Bi-lateral Agreements-in-Principle** with each of the provinces, as of November 24, 2005. Investment in regulated care is required, based on the principles of quality, *universally inclusive*, accessible, and developmental.
- ▶ Provinces commit to developing **action plans** and public reports.

### WHAT'S LEFT TO DO?

- ▶ A quality, regulated, universal and inclusive system of ELCC for all children from birth to six years, from coast-to-coast-to-coast, requires:
  - stable, community-based, and integrated services;
  - an adequate supply of quality, affordable child care;
  - equitable access to existing child care spaces; and
  - public policy that entitles children to equal access to child care.
- ▶ In order to get there, we need:
  - a **15-year** plan with annual increments, reaching **\$5 billion annually by year 5** and **\$10 billion by year 15**;
  - **federal legislation** with standards that guarantee quality, universality, accessibility, developmental programming, and inclusion; non-profit expansion; direct funding to services with 20% parental fee contribution and 10% of the spaces, and additional resources for children with disabilities;
  - provinces and territories to develop five-year plans with goals, timelines and targets, and governments reporting to the legislature and the public;
  - additional resources and supports to meet the needs of school-age children, as well as children from Aboriginal, rural, and remote communities; and
  - a range of additional supports, such as family-friendly workplaces and adequate parental leave.<sup>3</sup>

# B

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete

## 7 Employment Insurance

EI is Canada's most important income support program for workers. It was intended to reduce poverty and insecurity for the unemployed, to help communities through economic downturns, and facilitate economic adjustment.

### WHAT'S THE PROBLEM?

- ▶ The Unemployment/Employment Insurance program has been repeatedly cut by majority governments since the 1970s, to the extent that only half as many of the unemployed qualify for benefits today — roughly 40% compared to 80% in 1990.
- ▶ In major urban centres, like the Greater Toronto Area and the Lower Mainland of B.C., only 20–25% now qualify for benefits.
- ▶ Current rules require 600 hours to qualify for maternity/parental benefits, and between 420 and 700 hours of insured work to qualify for regular benefits (910 hours if you are new to the workforce).
- ▶ If you qualify, benefits are meagre and at maximum would barely provide a poverty-line income. The real purpose of a today's inadequate and inaccessible EI program seems to be to maintain a low-wage and insecure job market.
- ▶ Back-to-back Liberal majorities from 1993–2004 regularly collected billions more in EI premiums than they paid out in benefits, generating a surplus of \$46 billion between 1993 and today — and then they diverted those funds to reduce the federal deficit and pay down debt.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ The case for real EI reform was given a huge boost when all parties supported proposals of the Canadian Labour Congress and social groups for fairer rules for EI — including a uniform 360-hour entrance requirement — in the 2005 Report of the Standing Committee on Human Resources.
- ▶ Unfortunately, the Liberal government rejected key reforms, and, instead of improving benefits, has cut EI premiums.
- ▶ NDP MP Yvon Godin, who fought hard for a progressive report from the Parliamentary Committee, has put forward the key proposals before Parliament in private member's bills.
- ▶ Bill C-48, the NDP budget amendment, secured an extra \$1.5 billion for access to post-secondary education and training. In the November Economic and Fiscal Update, the training funds were rolled into a broader commitment to spend \$3.5 billion over the next six years on workplace-based skills development.

### WHAT'S LEFT TO DO?

- ▶ Introduce a uniform entrance requirement for all EI benefits of 360 hours.
- ▶ Raise maximum benefits levels.
- ▶ Increase the time workers can collect benefits to a maximum of 50 weeks.
- ▶ Provide benefits under the Employment Insurance program for workers who take education/training leaves as part of a formal joint training plan.

# D

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete

## 8 Environment

Despite some important environmental initiatives Canada has failed to grasp opportunities to reduce climate change, protect nature and biodiversity, and reduce the health effects of pollution.

### WHAT'S THE PROBLEM?

- ▶ Climate change is one of the greatest threats to people, economies, and ecosystems in the 21st century, yet Canada has failed to meet its commitments under the Kyoto Protocol or to establish a long-term strategy beyond 2012.
- ▶ Federal tax subsidies to the oil and gas industry worth \$1.4 billion annually<sup>1</sup> work against societal goals to improve human health, reduce GHG emissions, and clean up the environment.
- ▶ Mounting exposure to toxic substances in our air and water is linked to serious threats to human health, especially for children, yet regulatory action has yet to be taken to reduce exposure to most of the substances declared toxic under the Canadian Environmental Protection Act (CEPA).
- ▶ Canada's network of national wildlife areas and migratory bird sanctuaries is in a state of crisis, suffering from a series of on- and off-site threats to their ecological integrity.<sup>2</sup>

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?<sup>3</sup>

- ▶ Quadrupled the Wind Power Production Incentive, instituted a Renewable Power Production Incentive for non-wind sources of renewable energy, and enhanced and broadened the Accelerated Capital Cost Allowance for efficient and renewable energy generation.
- ▶ Expanded the EnerGuide home retrofit program by \$225 million.
- ▶ Committed \$90 million to Health Canada, over five years, to conduct risk assessments for potentially toxic substances under CEPA.
- ▶ Invested a total of \$243 million in Phase I of the Ocean Action Plan, enhancing protection of national park ecology, minimizing invasive species, improving the Great Lakes ecology, and establishing an Atlantic Salmon Endowment Fund.
- ▶ Allocated \$5 billion for municipal infrastructure over five years, some of which is conditional on environmental and sustainable transportation criteria.

### WHAT'S LEFT TO DO?

- ▶ Establish a long-term comprehensive plan to achieve deep GHG emissions reductions.
- ▶ Enhance current programs to promote and implement energy efficiency and conservation in homes and small businesses.
- ▶ Commit greater resources to the implementation of CEPA.
- ▶ Make a strong commitment to implementing ecological fiscal reform (EFR).
- ▶ Invest \$250 million in a highly-leveraged Conservation Fund, to engage Canadians in achieving environmental sustainability.
- ▶ Allow the flow-through-share program for mining exploration in Canada to expire on December 31, 2005, and cancel the Investment Tax Credit for Exploration (ITCE).

# B-

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened ING.=Incomplete

## 9 Fair Taxes

### WHAT'S THE PROBLEM?

- ▶ Inequality and poverty in Canada have increased as a result of regressive tax measures under the Liberals, cutbacks in public and social services, increased costs, and deliberate policies to keep workers' wages low.
- ▶ Paul Martin's 2000 Budget provided \$100 billion in tax cuts that overwhelmingly benefited corporations and those with the highest incomes.
- ▶ Corporations are making record profits, now \$200 billion a year, and yet the federal government keeps cutting their tax rate. Almost 5 million Canadians live in poverty, including 1.2 million children, 1.5 million adult women, and many working poor. The working poor face the highest marginal tax rates.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ The February 2005 Budget increased the basic personal amount to \$10,000 over five years, while also proposing corporate tax cuts and increases to the RRSP deduction that benefit only those with incomes above \$100,000.
- ▶ Bill C-48, the NDP budget amendment, redirected the corporate tax cuts to environment, public transit, education, affordable housing, and foreign aid.
- ▶ Tax measures introduced since then, such as the energy cost benefit, have provided some short-term benefits for low- and middle-income earners, but most of these benefits disappear after 2006.
- ▶ Much more beneficial tax cuts have been provided to corporations and those with higher incomes. These include maintaining the income trust tax loophole, cutting the corporate and dividend tax rates, eliminating the capital tax, cutting high-income tax rates, and raising the top bracket to \$200,000.
- ▶ Almost 25% of the benefit of tax cuts in the Economic and Fiscal Update will go to corporations and, when they are fully phased in, the personal tax cuts will provide up to 10 times the benefit to those with high incomes.
- ▶ Women, who make up a disproportionate share of poorer and middle-income Canadians, benefit very little. The average income for a female single parent family is only \$32,500. After 2006, they will receive next to nothing from the Liberal tax cuts promised in the EFU. Single parents with an income of \$20,000 would receive nothing extra. Those with incomes of \$150,000 would receive almost \$2,000 a year in tax cuts.

### WHAT'S LEFT TO DO?

- ▶ Canadians don't need more tax cuts that benefit the rich. We need fair and equitable tax reform to reverse the regressive tax measures introduced under the Liberals. Some of these measures include:
  - increase the GST credit and threshold by 25%;
  - increase the Child Tax Benefit to \$4,900;
  - introduce a new higher tax rate on incomes above \$250,000;
  - reverse the corporate tax cuts;
  - increase the effective tax rate for capital gains;
  - close loopholes, including the special treatment of stock options, the meals and entertainment deduction, and offshore tax haven loopholes; and
  - introduce environmental tax initiatives to reduce pollution and resource waste.

Grade Awarded

**F**



## 10 Foreign Aid

### WHAT'S THE PROBLEM?

- ▶ Over a billion people live in abject poverty. Poverty kills more than 50,000 people every day — one third of all deaths. Every three seconds, a child dies as a result of extreme poverty.
- ▶ Canada has pledged to address global poverty, but is failing to implement its promises. Five years ago, all members of the United Nations committed to the Millennium Development Goals (MDGs) to meet minimum targets to reduce poverty, hunger, illiteracy, discrimination against women, and environmental degradation by 2015. The MDGs reiterated a global pledge for wealthy countries to spend 0.7% of their Gross National Income (GNI) on aid.
- ▶ Currently, Canada devotes less than half of this amount. Eleven countries — including France, the United Kingdom, Sweden and Denmark — have reached their 0.7% commitment or have firm timelines for doing so. Canada, despite its relatively robust economy, is not among them.
- ▶ Unfortunately, the Prime Minister at recent international forums has merely restated Canada's long-standing commitment to 8% aid increases through to 2010. This approach falls far short of what is needed. By 2010, Canada will not even be halfway to the 0.7% target, coming in at only 0.32% of GNI.
- ▶ Approaches to improve aid effectiveness are coming with high levels of donor-imposed conditions to liberalize trade or privatize the delivery of public services. And in response to foreign policy pressures, Canada has joined other OECD nations calling to expand the criteria for what can be counted as aid — particularly for military and security aspects of peace operations.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ Parliamentarians are calling for action to end global poverty. On June 28, the House of Commons unanimously passed a groundbreaking resolution, put forward by NDP member Alexa McDonough, which calls on the federal government to —
  - “set a plan to reach 0.7% by 2015; introduce legislation to ensure that aid is provided in a manner consistent with Canada's human rights obligations and respectful of the perspectives of those living in poverty; and improve our aid effectiveness by strengthening the partnership with civil society, both in Canada and overseas.”
- ▶ Bill C-48, the NDP budget amendment, increased foreign aid commitments by \$500 million in the next two years.

### WHAT'S LEFT TO DO?

- ▶ What is needed is both more and better aid — including an explicit and comprehensive strategy to reduce poverty and a commitment to raising development assistance by 15% annually through 2015. These increases are affordable. The Canadian government should:
  - set a timetable for reaching the 0.7% of GNI target by 2015; and
  - enact legislation making ending poverty the exclusive goal of Canada's foreign aid in a way consistent with our human rights obligations.

**C**

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete

## 11 Gender Budgeting

### WHAT'S THE PROBLEM?

- ▶ Women's impoverishment persists (one in six women in Canada is poor<sup>1</sup>) because many lack the income and social supports necessary for their own well-being, and the wellbeing of those they support.
- ▶ A FAFIA report of the ten federal budgets between 1995–2004 demonstrates that acute cuts to social programs and income supports in the deficit era (1995–1997) unduly hurt women in Canada.
- ▶ Funding to key programs in support of women's economic security (including Employment Insurance and Social Assistance, designated federal transfers for services such as civil legal aid and anti-violence measures, and the elimination of core funding for women's equality seeking organizations) has not been restored despite eight consecutive budget surpluses.
- ▶ To ensure fairness and equity for all Canadians, the Finance Department needs to incorporate rigorous gender based analysis into its budget making process, as promised at the Beijing World Conference on Women in 1995.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ In response to pressure from the NDP, the minority Parliament ushered in the first Parliamentary Committee on the Status of Women in Canada's history.
- ▶ This Parliamentary committee recommended in "Gender Based Analysis: Building Blocks for Success" that the Finance Department immediately 1/ designate one senior official with clear responsibility for implementing a gender-analysis process; and 2/ provide a written report to Parliament annually on its results.
- ▶ In February 2005, in response to a Bloc question in the House of Commons Minister of Finance Ralph Goodale committed to "respect the principles of gender equity in the preparation of this budget and indeed every budget going forward."
- ▶ The report of the Expert Panel on Accountability Mechanisms for Gender Equality (appointed in the fall of 2005) recommended that the Minister of Finance "apply gender based analysis rigorously to one key area of the 2006 budget" such as "tax policy" or "an equivalent area the Minister considers appropriate".
- ▶ A gender based analysis of the 2005 budget was in fact done by Finance, but instead of responding to women's economic realities, the analysis justified specific budget measures via assumptions about women's 'interests': e.g. it asserts that women benefit from the elimination of the federal excise tax on jewellery because women constitute the majority of "jewellery consumption".

### WHAT'S LEFT TO DO?

- ▶ Commit to adopting a rigorous gender budgeting model which would produce federal budget measures that *meaningfully* respond to women's economic realities, by 1) Examining and adjusting fiscal measures, such as tax cuts, for their differential impacts on women and men due to women's often reduced earning power, 2) adopting federal spending priorities which meet the economic and social needs of women and families, and 3) publishing an annual report to Parliament which fully documents this analysis.

**C-**

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete

## 12 Health Care

**The Supreme Court decision on wait times must not be an excuse to open the door to a two-tier health care system.**

### WHAT'S THE PROBLEM?

- ▶ Private for-profit corporations say that privatization of our health care system is not only inevitable, but is the way to save Medicare. Instead, increased privatization and commercialization will drive up the costs for everyone, increase wait times in the public system, and have a disproportionate impact on women. Wait times for surgery and other procedures can best be reduced by strengthening the public system.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ \$41 billion commitment in new money over 10 years;
- ▶ Federal-Provincial/Territorial (FPT) Wait Times Initiative and the establishment of comparable benchmarks;
- ▶ discussions about Pharmacare as a FPT issue.
- ▶ a separate Aboriginal health strategy, based on broader determinants of health; and
- ▶ tax credits for caregivers of ill family-members.

### WHAT'S LEFT TO DO?

- ▶ Attach firm conditions to the transfer of all federal money to the provinces for health care and enforce the *Canada Health Act*.
- ▶ Confront the fastest cost-driver in the system by establishing a national Pharmacare program.
- ▶ Prevent public money from promoting commercial delivery of health care; and compel provinces to provide information accounting for how public money is being used.
- ▶ Establish a national training strategy to respond to the serious shortage of health professionals, to counteract poaching between jurisdictions and from other countries.
- ▶ Work towards primary care reform that focuses on multidisciplinary approaches.
- ▶ Establish a federal capital infrastructure program for health care.
- ▶ Deliver on promises for national standards for home care and establish standards for long-term care.
- ▶ Use federal funds exclusively to support provincial capacity to deliver medically-necessary health care in a timely, universally-accessible, and not-for-profit basis.
- ▶ Shorten wait times by extending the use of public facilities, and implementing better management of resources.
- ▶ Support health care workers through skills recognition for new immigrants and job ladder training programs for public sector workers.
- ▶ Seek a general exception for health and social services of all countries in the GATS and other services agreements; work with other countries to establish the right to health over commercial values in international law; and ensure that Canada's policy flexibility in health and social services is not restricted by trade and investment agreements.

on Reinvestment **B** on Privatization **F**

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete

## 13 Housing

Too many Canadians are spending too much of their income on shelter but there is still no properly funded national housing strategy. Short-term, ad hoc initiatives have failed to address the problem.

### WHAT'S THE PROBLEM?

- ▶ 1.5 million Canadian households are in desperate need of decent, affordable housing. (CMHC, Core Housing Need, 2001) and Canada faces increasing problems with neighbourhoods in decline.
- ▶ Housing is the key investment needed to turn these lives and these communities around. And predictable, long-term funding for permanent affordable housing is essential to getting there.
- ▶ Building safe, sustainable communities leads to better health, better school performance, successful immigration settlement, and improved social integration and cohesion.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ Bill C-48, the NDP budget amendment, added \$1.6 billion over two years for new affordable housing. Those dollars will not be available until 2006 and may be put under provincial control.
- ▶ The government signed agreements with several more provinces to flow housing dollars allocated in 2001 but unspent since then.
- ▶ The Residential Rehabilitation Assistance Program (RRAP) and the Supporting Community Partnerships Initiative (SCPI) were both extended by one year. The programs help deal with emergency and transitional housing. Once the promised “housing framework” is put in place, these programs will be modified and wrapped into the framework.

### WHAT'S LEFT TO DO?

- ▶ Delivery of the long-promised comprehensive national housing framework. Canadians deserve a stable, long-term federal government commitment that will see 25,000 new and renovated units of affordable housing open their doors annually. Communities need the stability and predictability to fully participate as partners in building affordable housing.
- ▶ The federal government is poised to take billions of housing dollars out of social housing as existing mortgages are retired. This would be a disastrous mistake, and could lead to the loss of thousands of affordable housing units.
- ▶ Meeting Canada's housing needs is a very affordable priority. Over the next 30 years, expiring mortgages on existing social housing will generate \$30 billion of surplus housing funds for the federal government. In addition, CMHC is already running annual surpluses exceeding \$1 billion per year. These sources, along with a portion of record-breaking federal government budget surpluses, could provide billions of dollars for affordable housing.
- ▶ Funds no longer required to meet other housing commitments should be invested in rehabilitating existing social housing, maintaining rental assistance for low-income residents and creating new permanently affordable housing. As with private homes, reinvestment is also required to preserve the asset of existing social housing for the benefit of current residents and future generations.

**C-**

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete

## 14 Post Secondary Education

### WHAT'S THE PROBLEM?

- ▶ High tuition fees are preventing qualified Canadians from participating in post-secondary education, namely those from disadvantaged backgrounds
- ▶ Federal cuts to post-secondary education transfers over the past 20 years have exacerbated socioeconomic divisions within the system.
- ▶ Combined with a lack of regulation at the provincial level in some jurisdictions, the federal retreat in core funding responsibilities is the most important cause of tuition fee increases
- ▶ High tuition fees drive students to borrow more and accumulate massive student debts, averaging \$25,000 for a four-year program.
- ▶ The federal response has been largely characterized by public relations gimmicks and saving incentives for the upper middle-class

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ Bill C-48, the NDP budget amendment, committed to reducing tuition fees and eventually delivered grants for students from low-income families.
- ▶ Bill C-48 prompted a \$2.2 billion spending boost for future student financial aid projects in the Economic Update

### WHAT'S LEFT TO DO?

- ▶ The federal government must remove post-secondary education from the Canada Social Transfer and allocate it to a dedicated post-secondary education transfer to the provinces that is governed by a Post-Secondary Education Act to ensure accessibility and quality
- ▶ The federal government must, in cooperation with the provinces, develop a strategy for reducing tuition fees and student financial assistance that reduces the widespread reliance on debt to finance a post-secondary education

**B-**

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete

## 15 Poverty

### WHAT'S THE PROBLEM?

- ▶ 4.9 million individuals and families are living in poverty, including almost 1.5 million adult women, and over one million children.
- ▶ Work is no longer a guarantee against poverty. Forty-one percent of poor families in 2001 had at least one family member who worked 910 hours (full-time, full-year employment) in the year.<sup>1</sup> Young workers (between 15–24) are paid 20–25% less now than 30 years ago.<sup>2</sup>
- ▶ Income support programs such as EI, the Child Tax Benefit, and the National Child Benefit Supplement, as well as government efforts around social housing, affordable post-secondary education, and quality accessible child care are not effectively reducing poverty.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ **Social Housing:** \$1.6 billion allocated over two years for social housing through Bill C-48.
- ▶ **Income support (NCBS, CCTB, EI):** The CCTB benefit increases that were previously scheduled were implemented. For the EI program, money was promised in the fall 2005 Economic Forecast Update for worker training. Bill C-48 promised \$100 million to protect workers' wages in the event of bankruptcy.
- ▶ **Early Learning and Child Care:** Bilateral agreements have been signed between the Federal and provincial governments. Budget 2005 allocated \$5 billion over five years for an Early Learning and Child Care initiative.
- ▶ **Post-Secondary Education:** Current funding for PSE is \$1.5 billion over two years. \$2.2 billion over five years has been promised to help make post-secondary education more affordable for lower- and middle-income Canadians. Another \$550 million has been committed over five years to extend grants to 55,000 undergraduate students from low-income families.

### WHAT'S LEFT TO DO?

- ▶ Implement a national poverty elimination strategy with clear targets.
- ▶ Increase Canada Social Transfer funding to \$10 billion over three years.
- ▶ Implement a multi-year National Housing Strategy with funding of at least \$1.5 billion each year, a portion of which would be used for the development of 10,000 affordable housing units per year targeted to low-income people in core housing need.
- ▶ Combine the CCTB and NCBS benefits into one program while raising the maximum benefit to \$4,900 per child per year, and end the discriminatory NCBS clawback. Ease restrictions on EI so workers can access it, and raise maximum benefits levels.
- ▶ Commit funding to reach the annual investment of \$10 billion, or 1% of Canada's GDP for a national child care program within 15 years.
- ▶ Create a Post Secondary Transfer with \$4.3 billion over the next three years for post-secondary education.

C

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete

## 16 Retirement and Pensions

### WHAT'S THE PROBLEM?

- ▶ High rates of poverty persist among certain groups of seniors — especially women on their own.
- ▶ Women who take time out of paid work to care for family members with disabilities or older dependents are penalized when their CPP retirement pensions are calculated.
- ▶ Because of their lower earnings and paid and unpaid work patterns, women get much lower retirement pensions from the CPP than men do.
- ▶ Lower-income workers can't take advantage of private savings incentives through RRSPs.
- ▶ Recent immigrants can't qualify for full pensions.
- ▶ Workers rank behind other creditors for their wages and pension benefits in a corporate bankruptcy.
- ▶ Workers' pensions are not protected if their employer's place of business goes under.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ A modest increase in the income-tested Guaranteed Income Supplement will be phased in over the next two years.
- ▶ Changes to the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act (CCAA) have been enacted to guarantee payment of wages to workers in the event of an employer bankruptcy under a proposed Wage Earner Protection Program.

### WHAT'S LEFT TO DO?

- ▶ Improve the basic income guarantee — either through an increase in Old Age Security and/or the Guaranteed Income Supplement.
- ▶ Introduce a caregiver dropout provision in the CPP — similar to the childrearing dropout — so those who take time out of paid employment to care for elderly family members or those with disabilities are not penalized when their pensions are calculated.
- ▶ Improve the tax credit for CPP contributions to help low-income workers and those in non-standard work arrangements such as part-time, temporary, and contract work, and own-account self-employment.
- ▶ Roll back some of the recent increase in RRSP contribution limits and redirect the savings to improvements in the basic guarantee of OAS/GIS.
- ▶ Look at redesigning the way public pensions are calculated so as to improve pensions for immigrants.
- ▶ Implement a Pension Benefits Guarantee Fund at the federal level, similar to the Pension Benefits Guarantee Fund in Ontario, so pensions of workers are protected up to certain limits in the event of corporate bankruptcy.

**C+**

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened **INC.**=Incomplete

## 17 Sector Development Policy

Canada is becoming once again a raw-materials supplier to the global economy. Our high-tech, high-value industries are suffering.

### WHAT'S THE PROBLEM?

- ▶ Canada's production of high-value-added manufacturing products has faltered badly. Some 150,000 manufacturing jobs disappeared in the last year alone.
- ▶ At the same time, driven by record commodity prices, production and exports of energy, minerals, and other primary commodities has expanded enormously.
- ▶ This reverses progress made in previous decades to develop high-tech value-added industries, and thus reduce our historic dependence on primary resources.
- ▶ Government policy could tolerate this structural remodelling of Canada's economy — accepting that our economic destiny will be determined by global markets and the global hunger for our resources. Or our policy could swim against the tide to carve out a more diversified and sustainable sectoral mix.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ For the first time in many years, the federal government has once again become pro-actively involved in focused efforts to stimulate investment in targeted high-value sectors: forestry (\$1.5 billion over five years), auto (\$500 million for new investment, plus support for infrastructure), aerospace (support for Canadian-designed aircraft), agriculture (support for beef processing), and others.
- ▶ Ottawa has increased public investment in a range of technology and productivity-enhancing initiatives (to support R&D, higher education, and skills development) that will benefit the whole economy.

### WHAT'S LEFT TO DO?

- ▶ Sector-specific supports should be expanded, tied to concrete employment commitments, and overseen by sector development councils with representation from all stakeholders.
- ▶ The Liberals continue to deepen the power of global markets over our economic destiny by negotiating free trade agreements, both bilaterally (such as a proposed FTA with Korea) and multilaterally (through the WTO). These talks should be stopped, and Canada should work to negotiate more balanced "fair trade" and development pacts.
- ▶ In the name of "productivity," the Liberals have slashed income taxes on business since 2001 — and more expensive corporate tax breaks are built into the pre-election fiscal statement. So is the giveaway of public resources resulting from the failure to crack down on income trusts. Corporate tax cuts should be rescinded, and resources pumped instead into a true economic development program (including a public investment bank).
- ▶ The Bank of Canada tolerates the 30% run-up of the Canadian dollar since 2003 as a natural form of "adjustment," even though the soaring loonie has hugely damaged our high-value exports. Since the Bank Governor still reports to the Minister of Finance, Ottawa should demand a more balanced approach.

**C+**

Grade Awarded

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete



## 18 Training

### WHAT'S THE PROBLEM?

- ▶ Rather than investing in training and apprenticeships, and using higher skills to redesign better and more productive jobs, some employers in Canada design jobs so that they require little or no skill.
- ▶ Lack of access to training—including unaffordable costs and no training leave from work—traps many workers in low-pay, dead-end jobs.
- ▶ One in three women and one in five men earn less than a poverty-line wage of \$10 an hour, and real wages have been falling for the bottom half of our workforce for the past 20 years.
- ▶ Almost half of young adults still enter the workforce with only a high school qualification or less, and, once in the workforce, those without an advanced education are the least likely to receive employer-sponsored training, which goes overwhelmingly to managers and highly educated professionals.
- ▶ Recent immigrants who are seriously underemployed compared to their skills and credentials have very limited opportunities to gain recognition of past learning, acquire higher language skills, and acquire Canadian qualifications.

### WHAT HAS THE MINORITY PARLIAMENT DELIVERED?

- ▶ Budget 2005 allocated \$125 million over more than three years for a Workplace Skills Strategy, an extra \$30 million for the National Literacy Secretariat, and increased funding for a settlement and integration program for new immigrants.
- ▶ After the 2005 Budget was introduced, the NDP secured an extra \$1.5 billion for access to post-secondary education and training.
- ▶ In the November 2005 Economic and Fiscal Statement, the training funding won by the NDP was rolled into a larger commitment to spend \$3.5 billion over this year and the next five years on workplace-based skills development, including apprenticeship, literacy, and workplace skills development programs.

### WHAT'S LEFT TO DO?

- ▶ Provision of income insurance benefits under the Employment Insurance (EI) program for workers who take education/training leaves as part of a formal, joint training plan.
- ▶ Federal support to provinces which enact legislation requiring employers to train or to pay into a training fund, with special attention to including training programs designed for women and disabled workers.
- ▶ Legally mandated labour-management training committees in every workplace.
- ▶ For unemployed workers, labour adjustment committees and greater access to training, including through EI work-sharing programs.
- ▶ A framework in which unions and working people play a direct role in shaping a training system, which should be the result of increased government and employer investment in training.

Grade Awarded

**C**

A=Excellent progress B=Good progress C=Some progress  
D=No progress F=Situation has worsened INC.=Incomplete

## Notes

### Introduction

- 1 This includes both explicit tax cuts announced in the EFU as well as an approximation of the cost of the corporate income tax cuts which were removed in the deal negotiated with the NDP in the spring of 2005, but are reintroduced as part of the base case of the 2005 Economic and Fiscal Update.

### Early Learning and Child Care

- 1 Canadian Council on Social Development (CCSD). “Fast Facts on Child Care.” *Perception*. 27 no. 1 & 2 (2004). <http://www.ccsd.ca/perception/2712/fastfacts.htm>.
- 2 Martha Friendly and Jane Beach, *Early Childhood Education and Care in Canada, 2004*, Childcare Resource and Research Unit, 16 Jun 05. <http://www.childcarecanada.org/ECEC2004/>.
- 3 For more information, see: Child Care Advocacy Association of Canada (CCAAC). *From Patchwork to Framework: A Childcare Strategy for Canada*. September, 2004. [http://www.childcareadvocacy.ca/resources/pdf/framework\\_cc.pdf](http://www.childcareadvocacy.ca/resources/pdf/framework_cc.pdf)

### Environment

- 1 Pembina Institute. 2005. *Government Spending on Canada’s Oil and Gas Industry: Undermining Canada’s Kyoto Commitment*.
- 2 Acknowledged by Canada’s Auditor General and the National Roundtable on the Environment and Economy.
- 3 Canada (Department of Finance Canada). 2005. *The Budget Plan*.

### Gender Budgeting

- 1 Statistics Canada. “Persons in low income before tax, by prevalence in percent (1999 to 2003).” Accessed December 3, 2006: <http://www40.statcan.ca/l01/cst01/famil41a.htm>.

### Poverty

- 1 The Current State of Canadian Family Finances — 2004, by Vanier Institute of the Family and *The Economy* by the Canadian Labour Congress resp
- 2 Canadian Labour Congress communiqué, August. 12/05