



FACE OF POVERTY CONSULTATION

A Multifaith Coalition Working to Eliminate Poverty

Brief to the Pre-Budget Consultation of the Commons Finance Committee

Executive Summary

The need for action Budgets are about meeting needs and financing the costs. Is this the time to meet fewer needs? International economic conditions are precarious and require continued government stimulation of the economy. Cuts to programmes are not necessary as Canadian governments' debt and deficit levels are relatively low and falling faster than for most countries.

Even in the long term, active government is necessary to meet the needs and realize the potential of all Canadians, especially the vulnerable. Education, health, social assistance, repair of the environment and infrastructure, transition to an ecologically sustainable economy – all these require increased government support.

Growing disparities The growth in the economy has benefitted the top ten percent of Canadians. Income disparities have been exacerbated by tax "reforms" which provided the greatest tax relief to large corporations and to high income Canadians as the share of taxes was shifted from corporations to citizens and from high-income to low- and middle-income Canadians.

Affordability The tax cuts of recent decades severely reduced governments' revenues and capacity to act. A more active government in the future can be financed, in large part, by reversing past regressive tax policies. This would generate more fairness as opportunities for the poor would increase and taxes shifted to those most able to pay them.

Therefore, we recommend:

1. Reduce and remove tax loopholes for high-income individuals and corporations.
2. Direct infrastructure expenditures to directly benefit our most vulnerable citizens
3. Greatly improve income support programmes, directly or by increased transfers to the provinces.