



THERE IS ANOTHER WAY



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A VERY POLITICAL BUDGET

The Liberal Budget of February 27, 1995, has a political as well as an economic objective. Paul Martin made clear in his Budget speech that a central objective was "to redesign the role of government in the economy". The Government's role is to be limited to policy setting on inflation, taxation, regulation and labour markets, as well as trade strategies.

Missing from the list is any commitment to social, regional, racial and gender equality. Recognizing this omission is crucial to understanding the New Liberalism which abandons even the rhetoric of equality. Women and minorities lose everything in an economy where there is no government role in modifying the behaviour of powerful institutions and wealthy elites.

THE BUDGET'S NEO LIBERAL STRATEGY HAS TWO MAIN ELEMENTS:

Expanding the private sector at the expense of the public sector: As Martin stated "Our view is straightforward. If government doesn't need to run something, it shouldn't. And in the future, it won't." If someone can make a buck, then private interests supersede the public interest.

Reinventing the federal role in social programs: The Budget fundamentally reinterprets that role, weakening the universality of our social programs.

● *A JOB KILLER BUDGET*

This Budget is a serious blow to women's equality in the labour market. The public sector is a major source of full-time, adequately paid jobs for women. Some 45,000 federal jobs are to be eliminated. Giant cuts in provincial transfer payments also jeopardize women's jobs in health, social services and education.

● *PRIVATIZATION*

The Budget commits the government to the complete turn-over to private hands of CN, Petro Canada, and air traffic control. It openly admits the Liberals' search for new candidates for privatization. All government equity holdings, assets and services are up for consideration. This is the context for the review of CBC TV. One potential privatization is in government information processing. Tens of thousands of women in data processing will quite possibly lose full-time, unionized jobs if private firms like Xerox and SHL Systemhouse take over.

● *SOCIAL PROGRAM CUTS*

The Budget contains massive cuts in federal funding of social programs, about 25% in the cash portion of the transfers over the next 2 years. This will result in provincial governments abandoning many programs that have operated in the public, non-profit realm. The vacuum will be filled by private, for-profit corporations who see health care and education as a lucrative and largely unexploited market. It will also place a heavier burden on women to take care of the sick, disabled and elderly at home. This is how societies end up with 2-tier systems, one for those who can afford quality services and poorer or none for those who cannot.

● *ERADICATING NATIONAL STANDARDS*

Paul Martin has said "We believe that the restrictions attached by the federal government to transfer payments in areas of clear provincial responsibility should be minimized...Transfers under the Canada Assistance Plan come with a lot of unnecessary strings attached". The "restrictions" and "strings" Martin refers to are actually national standards such as prohibitions against compulsory "workfare".

When it comes to the Canada Health Act, the government insists on its commitment to universality, portability, comprehensiveness, accessibility, and public administration. The federal government has barely been able to maintain these standards through the threat of the withholding of cash transfers when, for example, a province introduced medical user fees. What clout will they have under the new proposed structures.

● *BLOCK FUNDING*

The Budget proposes the elimination of the Canada Assistance Plan (CAP) -- for social assistance including child care -- and the Established Program Financing (EPF) -- for health and education. The plan is to replace them in the 1996-97 budget with one block payment called the "Canada Health & Social Transfer"(CHST).

Under current "cost sharing" programs there are conditions for matching federal dollars. With the proposed "block funding," the province gets the money without strings. Spending may not go to the programs that women fought for over decades.

The politicians are implementing with the Charlottetown Accord through the back door ... despite the "NO" vote to the constitutional referendum. Our social safety net will collapse as provinces compete to run the cheapest programs.

NAC recognizes the right of Quebec and aboriginal people to establish their own standards under self-governance without decentralizing programs in the rest of Canada. We said "NO" to the devolution of powers to the provinces for a good reason.

● *PENSIONS & POVERTY*

NAC has spent many years battling for decent Canada and Quebec Pension Plans (CPP/QPP) and the Old Age Security (OAS) and Guaranteed Income Supplement (GIS). Public pensions

are necessary for women, the majority of whom in the paid workforce do not have private workplace pensions. Women also make up the majority of the elderly poor.

Now the Liberals are serving notice of cutbacks to pensions for 1997 based on a joint paper to be released later this year by the Ministers of Finance and Human Resource Development. They are considering adopting two basic principles which will have a negative impact on women: the provision of OAS benefits on the basis of family income and the reduction of the number of seniors who will be covered.

Our older sisters need help...and ultimately we will all pay the price for this attack on universality.

● *UI DECEPTION*

The Liberals appear to forget that UI is a social insurance paid for by workers and their employers. The Budget calls for a further \$700 million cut to the UI program ... despite UI Account forecasts showing a healthy \$1.2 billion surplus by the end of this year, and \$20 billion by 1998. That surplus must go to improvements, as well as to stabilize the account for the next recession.

Employers want premium cuts, but workers know UI needs repairs after years of slashing. As of January, only 52% of Canada's unemployed received UI, compared with 87% in 1990. We're beginning to resemble the USA where the unemployed covered by UI is only 40% and only 5 states have maternity benefits.

NAC is concerned especially about tough eligibility and duration rules that impact part-time and low-income workers, many of whom are women. Currently, 44% of women have jobs with less than 49 weeks duration yearly (most in the 14-26 week category) making it hard to qualify for UI.

● *A NEW HEAD TAX*

The announcement of a new \$975 fee for adult immigrants is a throwback to the days of the Chinese Head Tax. This fee is on top of the current \$500 application fee that immigrants have to pay. The new tax will have a disproportionate impact on women. It will also place a financial burden on immigrants and refugees from Africa, South America and other regions with a much lower average income than Canada. Immigrant women and refugee women, because of their economic and social disadvantages, are bound to face more barriers than men as a result of the "head tax." Without setting new quotas, the government is cutting down on the numbers of immigrants from certain parts of the world.

● *CHILDCARE: KILLED BY THE TORIES/BURIED BY THE LIBERALS*

Under a block funding model and devolution to the provinces, there appears no way forward for a National Child Care Program based on universal accessibility, high quality, comprehensiveness, accountability and non-profit administration. Even current provincial programs may become poorer as priorities shift with transfer cuts. The Liberals have betrayed the most basic of their promises to improve the lives of Canadian women and children.

● *BAD ECONOMICS*

The Liberals did not follow through with their promise of a fairer taxation system. The small tax increases announced for corporations and the temporary tax on the banks combined (\$320 million) don't come close to the increased consumption tax on gasoline and tobacco (\$565 million.) Our personal income tax system continues to tax the very richest at the lowest rates than ever before.

The biggest failure of Martin's budget is his refusal to instruct the Bank of Canada on interest rate policy. Martin continues to deny that high real interest rates are the primary reason for our deficit. Our social spending is in fact less than what the government collects for that purpose. High and growing real rates of interest are the multi billion dollar burden.

Instead of moving interest rates closer to their historical average of 1.4% yearly, Martin boasts that by 1996-97 the government will cut social spending levels to their lowest since 1951. That's pre-Medicare and pre-Old Age Security and a time when most young people, especially women, could not afford post secondary education. It was an era when women had to do much of the work now done through community services.

● *DEMOCRACY AND FUNDING ADVOCACY*

The post-budget cut of the Canadian Advisory Council on the Status of Women is yet another sign that the government is relinquishing its commitment to women's equality.

Women are still waiting to see what the full impact will be of putting the Women's Program together with Status of Women Canada. The budget states that this approach will result "in a streamlining of resources and costs, the elimination of duplication, and an improvement of service to the public."

We now know that the Women's Program will be receiving a 5% decrease for each of the next three years. Women's groups have already suffered greatly from cuts in previous budgets. These additional cuts will only further curb the ability of women's groups to be involved meaningfully in the democratic process in this country.

WOMEN SPEAK OUT

We refuse to go back to a world based on the survival of the fittest. We are fighting for a better world.

For more information on NAC's **THERE IS ANOTHER WAY** Campaign, contact the national NAC office or your regional NAC representative.

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