



CANADA WITHOUT POVERTY  
CANADA SANS PAUVRETÉ

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***Honorary Directors***

**Right Hon. Joe Clark • Hon. Louise Arbour  
Hon. Monique Bégin • Hon. Ed Broadbent • Mr. Ovide Mercredi**

***Opening Remarks by Rob Rainer, Executive Director,  
to the House of Commons Standing Committee on Finance,  
Hearings on Bill C-38, Jobs, Growth and Long-term Prosperity Act***

***May 31, 2012***

Dear Mr. Rajotte, Chair of the Standing Committee on Finance, and members of the committee:

On behalf of our team at Canada Without Poverty – our directors, Honorary Directors, staff, volunteers and supporters – and on behalf of those to whom Canada Without Poverty amplifies their voice on matters of their very survival, thank you for the opportunity to appear before you today to speak with respect to Bill C-38.

Our central concern is the eradication of poverty in Canada, getting at the roots of this problem and dealing with them head on. Not just because it's the right thing to do, but also because it's the wise thing to do. As you may know, poverty costs Canada to the tune of some \$72 to \$86 billion per year, about 5-6% of our GDP. That's the dollar cost. But in the past week alone we have learned that people in low income neighbourhoods are twice as likely to die from preventable causes as people in high income neighbourhoods. That undercuts families, communities, our economy, our prosperity. We are all poorer as a result.

And as you know, you only have to walk less than a block off Parliament Hill before this problem is there before you, and all around us.

Nonetheless, we are curious as to why we are appearing before you once again, after our last testimony on September 28<sup>th</sup>. At that time, in response to pre-budget consultations, we made but one recommendation: for the federal government to set targets and timelines for poverty reduction and elimination, and to study all fiscal mechanisms, federal as well as intergovernmental, available to help reach these targets and lay out options for your committee's consideration and consultation.

That recommendation wasn't heeded in the budget. Which is strange as it represented an essentially costless request, with the potential for a great pay off for the country.

But you did ask us to appear and so I will answer through the lens of poverty in Canada.

In short, Bill C-38 scares us, like it is scaring a lot of Canadians. Governments are supposed to provide calm to the people, not sow fear. A bill like this renders fear because there is so much consequential stuff in it, with decision making power being handed to far too narrow a group of people – bureaucrats and Cabinet members – with elected representatives largely cut out of what should be healthy debate on a wide range of issues.

It is worth knowing that omnibus is derived from Latin and means "for everything."

The overarching concern is captured with these words: "Omnibus bills subvert the Parliamentary process by denying Members of Parliament and the Canadian public the ability to fully study or understand the drastic changes currently being made to our laws without proper study or scrutiny." And for that reason, you must stand against this bill and address its many dozens of substantive components with the due care they deserve, that Canadians deserve.

What is the government's purpose – and in addition what is really in the public interest – in centralizing power in the PMO? What indeed, when staff are not elected and when it has been demonstrated time and time again that regulations rarely are held truly accountable to Parliament?

If you recommend that Bill C-38 be passed, you would recommend to your colleagues that they remove their oversight of matters that directly affect your constituents. We don't think MPs were elected to delegate their powers of oversight, transparency and accountability. Substantive issues such as the innumerable ones encompassed in this bill should go to Parliament on the recommendation of government, to be debated and potentially passed. What's happening here is the reverse.

It is worth noting there are more questions about this bill than that of the "distinct society" clause in the Meech Lake Accord. And when the compromise, the Charlottetown Accord was put to a vote, it failed in major part because, like in Bill C-38, there was so much in it that, in time, various groups and interests became opposed to select parts.

As John Ivison of the National Post wrote on May 23<sup>rd</sup>, "as you remove the outer layers of the bill, you discover potentially far-reaching policy shifts that have no business being in any budget, far less being scrutinized by the finance committee."

Bill C-38 adds to the current air of instability – especially among those who very specifically live day by day from hand to mouth. For example:

One, giving authority to the Minister of Human Resources and Skills Development to increase the age of eligibility for Old Age Security and the Guaranteed Income Supplement – a move that will definitively injure those who most need OAS, the poor or almost poor who are approaching the age of 65.

Two, permitting regulations to be made concerning what constitutes suitable employment – troubling considering the Minister of Finance believes there is no bad job, when the swelling ranks of the working poor would suggest otherwise.

Three, dramatic operational changes to social security tribunal hearings – with very real risk that those who have the right to Old Age Security, Canada Pension Plan or Employment Insurance benefits may be unable to effectively claim them.

Four, eliminating the National Council of Welfare – undermining the identification of the most promising approaches and solutions to poverty.

Mr. Chair and members of the committee, we have only asked for a plan to combat poverty, not for even more uncertainty than there is now. And we've been living with uncertainty for a long time. We remind of the now infamous 1989 Parliamentary resolution to eliminate child poverty by the year 2000. But with no plan behind this intention, well, Unicef has just reported that Canada's child poverty rate is 13.3 percent, placing us 24<sup>th</sup> of 35 developed countries on this very telling metric of progress.

We do have hope with the new All-Party Anti-Poverty Caucus, a Canada Without Poverty-inspired concept. Perhaps you can also rethink about how your own caucus can operate, and report back to Parliament.

In conclusion, Bill C-38 offers zero consolation to those who face the evil effects of falling into the ditch while a misguided policy reform was implemented. Bill C-38 is, simply put, a power grab. The right thing to do, as we hope each of you will agree, is to break this bill apart.

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## ***10 THINGS TO KNOW ABOUT POVERTY IN CANADA***

- 1) There is no national definition of or national means of measuring poverty: there could be.
- 2) Based on several income tests, between about 10 to 20 percent of the population, and seven to 22 percent of children, live in poverty.
- 3) At highest risk of poverty are Aboriginal people; recent immigrants; single parent families; people with disabilities; people working for low wages and/or in precarious employment; injured workers; and single adults roughly 45 to 64 in age (soon to become to age 66).
- 4) Twenty percent of households have no net assets. The “top” 20% own 75% of Canada’s wealth. The gap between rich and poor is widening, further polarizing and destabilizing the nation.
- 5) The cost of poverty is \$72 to \$86 billion per year (roughly \$2,200-\$2,800 per household).
- 6) Poverty relates strongly to health status: “health disparities” account for about 20% of Canada’s health care system costs.
- 7) People in low income neighbourhoods are twice as likely to die from preventable deaths as people in high income neighbourhoods.
- 8) The poorest neighbourhood in Hamilton would rank 165<sup>th</sup> in the world in life expectancy.
- 9) Eight of ten women in prison are there for poverty related crimes. To incarcerate a woman in a federal prison costs about \$340,000 per year.
- 10) The federal government has a plan to conserve sharks. It does not have a plan to eliminate poverty.

## ***ABOUT CANADA WITHOUT POVERTY***

**Canada Without Poverty is a registered charity (#13091 6638 RR0001) founded in 1971 as the National Anti-Poverty Organization.** It is governed by a Board of Directors who individually know poverty first-hand. Our name expresses the end we seek – a Canada in which no person need suffer what Gandhi called “the worst form of violence.” Our logo symbolizes rising above one’s poverty line towards a brighter future.



**We believe** that poverty is an affront to the values of fairness, justice and the inclusion of all persons in Canadian society. **Our vision** is for a Canada without poverty. This vision will be reached through collaboration among governments, businesses and civil society. Policies, laws and programs will ensure sufficient income and social supports for everyone. Canada will have built a strong social foundation, such that everyone can pursue opportunities for achievement and fulfillment, embrace the responsibilities of citizenship and community opportunities, and live with a sense of dignity.

### **For more information:**

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