HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(●) **an organization** **Organization name:** Canadian Union of Public Employees

or

( ) **an individual** **Name:** _____

Topic: Employment, labour markets and unions

*Recommendation 1: Please provide a short summary of your recommendation.

Reverse public spending cuts and introduce progressive measures to boost jobs and growth.

Reverse federal spending cuts that have cut services, increased unemployment, suppressed wages and slowed down the economy. Instead, the federal government should prioritize improving public services, creating quality jobs, boosting the economy, reducing inequality and introducing fair taxes.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 billion or more

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The federal government can fund these measures by introducing and restoring fair taxes. These include restoring corporate income tax rates to 21% ($8 billion annually); closing the loopholes and tax preferences for stock options ($1 billion), capital gains ($6 billion minimum), and in a few selected other areas ($2 billion+); going after money sheltered in tax havens ($2 billion); and increased taxes on banks and the financial industry ($5 billion). The combined total federal revenues from just these measures would amount to over $19 billion annually, more than this year's expected deficit.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

The vast majority of individual Canadians and businesses would benefit from federal government measures focused on improving public services, boosting the economy, generating jobs and reducing inequality. Other levels of governments would also benefit from a stronger economy, with lower unemployment and higher revenues.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Government spending cuts have increased unemployment, are slowing economic growth, and are diminishing services and standards for Canadians. As estimated by the Parliamentary Budget Office last year, federal spending reductions will slow the economy by an average of one percentage point (or close to $20 billion) a year and reduce employment levels by over 100,000. Canada's economic growth is much slower than it was in previous recoveries. Expansionary measures (outlined below) could generate hundreds of thousands of additional jobs, boost wages, living standards and economic growth.

Topic: Retirement, pensions and seniors

Recommendation 2: Please provide a short summary of your recommendation.

Expand the Canada Pension Plan by phasing in modest contribution increases over seven years, which would, in time, double benefit levels from a maximum of approximately $1,000 per month to a maximum of about $2,000 per month (in 2013$).

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 billion or more

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Governments can expect to save money as a result of expansion of the CPP. The CPP is self-funded through employee and employer contributions. While premium payments will increase marginally and gradually, these costs will be balanced through lower employer contributions to other pension plans, as workplace pensions are integrated with the CPP and a majority of government employees have access to workplace pensions. In addition, as an improved CPP reduces the rate of poverty among seniors, pressure on the $10 billion for the GIS and for provincial support programs would be reduced.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Improving the CPP would benefit all working Canadians, their families and communities, and would especially benefit the 11 million or 60% of workers who do not have access to workplace pensions. Improvements to the CPP will also provide the opportunity for existing workplace pension plans to be put on a more secure footing. Better and more secure retirement incomes play an important role in helping to stabilize national and local economies.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Improving the CPP would benefit all workers, help stabilize existing workplace pension plans, increase economic security and stability for communities, reduce poverty and reduce pressure on social assistance programs. While some have expressed concern about the economic impacts, when CPP contribution rates were last increased, unemployment fell significantly. The increase in contribution rates that we envision is considerably less this time. Polling shows that 75% of Canadians support an expanded CPP, as do many pension experts and the majority of provinces.

Topic: Employment, labour markets and unions

Recommendation 3: Please provide a short summary of your recommendation.

Reverse cuts to Employment Insurance made in Bill C-38 that reduce eligibility for benefits, force claimants to take unsuitable and lower paid jobs and eliminated the EI Board of Referees.

Introducing different classes of claimants and changing access to EI benefits particularly hurts seasonal workers and those in precarious employment most, including women, youth, low income and other marginalized workers in communities across Canada. Changes to the appeals process has reduced fairness for claimants unjustly rejected. All workers are negatively affected as such changes drive down wages.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

other: please provide your estimated amount | Other: no direct cost as EI f

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

No direct cost as the Employment Insurance program is self-financed.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

This measure will benefit all workers and communities, but particularly the most vulnerable.

Communities that are resource-based, or rural or remote and employers with seasonal industries, in private and public sectors will particularly benefit by having a more stable workforce, with more stable incomes. Reversing these damaging changes to the EI program will help the most vulnerable workers, their communities and provinces. It will also benefit the labour market, ensuring that workers are able to apply their skills to suitable employment.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

The share of unemployed Canadians who qualify for EI benefits is at its lowest rate since 1944, with less than 38% eligible. This latest round of cuts and changes is weakening the EI system even further, driving down wages, forcing more people onto social assistance, increasing costs for provinces and municipalities and causing increased hardship for working families.

Cuts to EI are based on the false claim that pervasive labour shortages exist. With more than six unemployed workers available for every job vacancy, the shortage of jobs is far greater than any supposed labour shortage.

Please use this page if you wish to provide more explanation about your recommendation(s).

Instead of continuing with failed austerity policies, the federal government should reverse its damaging cuts. These are particularly affecting Canadians through cuts to job employment and training programs at HRSDC, through cuts to Environment Canada, to health care, aboriginal affairs, women's and immigrant services, Statistics Canada, and broadcasting programs at the NFB and CBC/ Radio Canada.

In addition to reversing these cuts, the federal government should also introduce further measures to create quality jobs, boost the economy, and improve living standards for working Canadians. Key measures here include support for a national early learning and childcare program, which has been shown to more than pay for itself; a national housing retrofit program to create jobs and reduce energy costs for households; increased support for First Nations education, health, housing and clean water; developing a national pharmacare program in collaboration with the provinces; increased federal funding for long-term care; affordable housing; post secondary education; industrial diversification and development and poverty reduction. Not only are these measures affordable through a number of fair tax measures, but they would also increase economic and employment growth, as well as greatly improving the quality of lives of working Canadians.

We support renewed funding through a new long-term infrastructure plan, but more funding is required up front and for public transit and upgrading water treatment. The requirement to consider P3s is unnecessary and costly: communities should be able to make these decisions for themselves without coercion from the federal government. The P3 screen and the $1.25 billion P3 Fund should be eliminated.

In particular for the CBC, the federal government should provide CBC/Radio Canada with stable, multi-year funding indexed to the cost of living, increased to at least $40 per capita as was recommended by the Standing Committee on Canadian Heritage. Federal operational support for the CBC is now at the lowest level in real dollar terms it has been in decades. This has led to cuts to programs and of both local and international content for Canada's national broadcaster and for the important role it plays in communities across Canada. And it's not just the CBC and its viewers that benefit from federal government support. Every $1 in public funding for the CBC generates more than $2 in economic activity. Requiring the CBC to rely more on commercial revenue also cuts into the revenues available to other private broadcasters.

*Please note that at least one recommendation must be provided