

LEADER OF THE OPPOSITION



CHEF DE L'OPPOSITION

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## **Towards a Fairer Canada Without Poverty**

**Speech to the Learning Enrichment Foundation**

**Toronto, Ontario**

I would like to thank the Learning Enrichment Foundation for inviting me to speak about the Liberal Plan to build a more inclusive Canada.

For almost 30 years the Learning Enrichment Foundation has shown day after day and year after year what Canadians working together can do to bring hope to the lives of others.

Your activities and history are a real example in helping. Your former executive director, the late Eunice Grayson, believed in the potential of people and acted on it in tremendously practical and effective ways.

And we Liberals will work every day to help organizations like yours continue to lead. We will learn from you and be inspired by you as we build the better Canada I want to talk about today.

A Liberal government will make Canada a richer, greener, fairer country. We need a greener Canada. You in the GTA know that all too well. Toronto has the highest number of smog days in Canada.

Studies show that every year in Toronto, pollution contributes to about 440 premature deaths and puts 1,700 more people in our hospitals. And it is our most vulnerable who always are most at risk. Our elderly, our children and those in poverty.

Whenever the next election comes, we Liberals will have a platform that ensures Canadians have cleaner air, cleaner water, a credible plan to meet the climate change crisis and a healthier natural environment.

We need a richer Canada.

Our economy is facing strong competition from emerging economies, higher energy prices and a dollar that is above parity with the US dollar.

Now that we have lost our currency advantage, we need to create a new Canadian advantage. Competitive taxes must be part of developing this Canadian advantage. But in themselves, they are not enough, no matter what the Conservative government may think.

We need support for manufacturing, forestry, agriculture and fisheries.

We need support for students and expanding opportunities through education.

We need to support innovation and research.

What about infrastructure?

What about integrating new Canadians who are central to our economic future?

The mini-budget announced by the government last week did nothing in these areas.

In the next federal election, we will present to Canadians our Liberal platform for a richer Canada that will provide greater benefit to ALL Canadians. It will be a compelling plan that will lower the overall tax burden of Canadians, make further progress on federal debt repayment, and will invest in the priorities of Canadians for a richer Canada, a greener Canada, and a fairer Canada. The fight against poverty that we are proposing today will be a key part of this platform. It will be fully costed and affordable, and will be accompanied by tax cuts that make our economy more competitive, and our society more fair. I am convinced that Canadians will judge our platform to be better than the Conservative one.

We need a fairer Canada. That means a richer Canada where all Canadians can prosper. We must rise to the challenge of helping those less fortunate amongst us to fully share in the riches of our land.

Poverty today is a reality that mocks and undermines the prosperity known by most of our people in Canada.

The lack of real social inclusion, the loss of dignity from not being able to participate in society, is a moral challenge we cannot ignore.

The Conservative Party ideology leaves no room for the vulnerable – for low-income families, or newcomers to Canada, or Aboriginal peoples, or the disabled. The Conservative thinking is: if you aren't going to vote Conservative anyway, why should I worry about you.

Liberals believe that when we give people a chance – not just the ones who might vote for us, but every Canadian – Canada succeeds, socially and economically to become a stronger society and a better place to live.

### **WHAT DO WE MEAN BY POVERTY AND EXPANDING INCLUSION?**

Unlike many OECD countries – including the US -- Canada does not have an official “poverty line.” Any business leader will tell you that what gets measured gets managed.

Most experts use Statistics Canada’s low-income cut-offs (LICO) to measure poverty. For the purposes of today I will use the after-tax LICO. I use this because it includes both personal earnings and government support and will allow us to more accurately measure the successes of a future Liberal government in fighting poverty.

Certainly, reasonable people can disagree about which measure to use but everyone can agree that debating measures is not an acceptable substitute for action.

So, with that said, what is the size of the problem we are facing?

- Today, in Canada, 242,000 seniors live in poverty. The men and women who built this country deserve better.
- Today, in Canada, more than 788,000 of our children live in poverty. We cannot waste a generation. All our children deserve to share in the bounty of our nation.
- Today, in Canada, most poor people actually work. A job should be a path out of poverty.

Now what is the trend?

Is poverty increasing? Is it decreasing?

The good news is that, during the last decade, poverty has decreased, thanks, in part to a strong economy, the policies of our governments and the hard work of organizations like yours. And in particular, if I may say so, the federal Liberal government. It was our government that brought in the National Child Benefit, the single most important contributor to the decline in child poverty in recent years.

The percentage of Canadians living in poverty declined from 16 per cent in 1996 to 11 per cent in 2005.

In real numbers this means that 1 million fewer Canadians were poor in 2005 than in 1996.

But today the number is 3.4 million and 3.4 million Canadians living in poverty is just not right!

A 2005 UNICEF study on child poverty in rich countries ranked Canada only 19<sup>th</sup> out of 26. We may argue about the precision of the comparative indicators used, but still, 19<sup>th</sup> place is simply not good enough for the country that we like to claim is the best in the world.

Yes, the poverty rate for single-mothers dropped from a shocking 56 per cent in 1996 to 33 per cent in 2005.

But one out of three is still unacceptable and it is four times the rate for families overall.

That's over 300,000 of our children.

As a Canadian I am embarrassed by this.

As a Liberal I can not accept it.

As Prime Minister I will correct it.

We know too that behind these numbers, behind these statistics, lies an immense human tragedy. We know that children in poverty suffer from hunger, poor housing, limited social resources, parents under stress, chronic health difficulties, and lower educational outcomes. For children poverty is about pretending you forgot your lunch, being afraid to tell your mother that you need gym shoes. It means being sick for every class trip and saying "sorry, I can't come" to invitations to friends' birthday parties.

Standing apart and being left out is the daily reality for too many children in this city, this province, this country.

Similarly, it is very difficult for the working poor to make ends meet. Labour markets have changed: the old idea of full-time work with one employer all year round is true for fewer and fewer workers.

Temporary jobs have grown from 11 per cent of all jobs in 1989 to 21 per cent in 2004. These jobs often pay less and always provide less benefits, a huge problem for the working poor.

So yes we have done much, but we still have much more to do. Progress has ended under the current Government which has different priorities.

The Conservatives have added a non-refundable child tax credit that means absolutely nothing to a single mother working full-time for minimum wage.

They took our idea for a Working Income Tax Benefit and made it less than it can and should be.

Poverty is deepest among our aboriginal peoples. Yet, the Conservatives abandoned the Kelowna Accord through which Canada's governments had committed to address the challenges faced by First Nations.

The Conservatives have ignored our seniors who are poor.

The Harper government is heading in the wrong direction. It is leaving behind over 3.4 million Canadians.

The Conservatives may ignore it, but many Canadians are actively looking at this challenge. The TD Bank. The Toronto's City Summit Alliance. Campaign 2000. Advocacy organizations. Leading newspapers. And yesterday, the Canadian Association of Food Banks. The current government may be deaf but there is a loud chorus of ideas and hope if only we choose to listen.

A Liberal government will listen and we will act. We will build upon the work that has gone before, and what other jurisdictions such as Ontario have already committed to doing. We will be the best federal partner this province and others have seen so that we can make progress together on this agenda.

### **WHAT NEEDS TO BE DONE?**

So what needs to be done?

Today I commit a new Liberal government to two important targets and two very important numbers:

Over 5 years a new Liberal government will

1. reduce the number of Canadians living below the poverty line by at least 30 per cent; and
2. reduce the number of children living in poverty by at least 50 per cent.

Call it our 30-50 Plan to reduce poverty.

This is a bold goal, and we intend it to represent the strongest government action in a generation.

In setting clear targets, I know that organizations like yours will hold our feet to the fire. Good! Because we are going to create a fairer Canada.

I am sure that many of you are familiar with the great strides that have been made by the United Kingdom in reducing child poverty. Their success all began with a single speech by Tony Blair in 1999.

Specific targets allow the electorate to know when something has been a success.

They also give a very clear idea of when their politicians have failed them.

They also signal to the public that a real priority has been set that they can support.

The results speak for themselves. It is expected that by next year's budget, there will be 700,000 fewer children living in poverty in the UK than when Mr. Blair delivered his promise. Not as many as first planned.

But had Tony Blair not dared to aim high, there would be far more children in poverty in the UK than there are today.

Today we aim high. We commit to an effort never before seen in Canada. In five or six years I want all of you to be able to say that you were there when Canada's next Prime Minister set out his 30-50 poverty reduction plan.

And yes, five years from now, I want you to say and I am confident that you will say – the Liberals' 30-50 Plan has been reached. I want you to do more than sit back and wait. I want you to join with me to make this essential goal for Canada happen.

So how will we accomplish these ambitious goals?

Our main tool at the federal government level is providing income support. And we will significantly increase it for at least three groups of Canadians, those seeking to escape welfare, children and seniors.

First, those Canadians trying to escape welfare face a giant welfare wall. Lowering this wall and helping people into the workforce is central to success. Many people who leave welfare for jobs paying under \$10 an hour are actually worse off because of the benefits they lose and the taxes they start paying. We have to lower this welfare wall, to encourage and reward work and give Canadians a springboard to success, dignity and independence.

This is the right thing to do, the smart thing to do and the fair thing to do. Over the next 20 years we face a shortage of labour. Getting more Canadians into the work force will help address this.

We will increase the Working Income Tax Benefit above the level proposed by the Conservative government to create a real Making Work Pay Benefit.

We will help encourage work by having this benefit available on the first dollar earned, which is \$3,000 sooner than the Harper plan.

And we will ensure that it benefits more families by phasing it out more slowly.

Second, we will significantly increase federal income support for families and their children who need to have healthy food, decent housing and participate fully in Canadian society.

788,000 Canadian children live in very low income. We will bring forward measures that:

- will support working families by making the non-refundable Child Credit into a refundable credit, so that even if they pay no tax they will get a benefit; and
- expand and improve the Canada Child Tax Benefit.

This is the right thing to do, the smart thing to do and the fair thing to do. Every child raised out of poverty is a child who eats better and arrives at school more ready to learn. A child more likely to pursue his or her education and to become the proud Canadian of tomorrow.

It is a child who can participate in activities, a child who is less likely to have trouble with the law, and a child who knows hope.

Third: we must be fairer to our seniors, who have invested so much of themselves in building our country. We will start by increasing the Guaranteed Income Supplement payments for the lowest income seniors and we will ensure that the loss of a partner does not drive the surviving spouse below the low income threshold.

In addition, seniors who can still offer so much to our workforce will be encouraged and rewarded for working if they choose to do so.

Significant increases in income support are necessary, but in and of themselves they are not enough. It is not enough for those Canadians with disabilities, for example, who need better services in order that we might improve their living conditions and help them contribute more to their families and to Canada. Jobs

assistance from organizations like yours are needed to bridge many people to the best contribution they can make in society.

We will work together, respecting each of our jurisdictions, with all orders of government at the provincial and municipal level, to provide better access to services that are essential in the fight against poverty such as affordable housing, universal child care, public transit and labour market training.

Housing and universal child care are critical foundations of opportunity for low-income Canadians. Our plan will address the issues of homelessness, affordable housing and universal child care of the quality that you deliver, at LEF, in your various centres. Unlike the Conservatives, who promised to create 125,000 new child care spaces, but have not delivered even one.

Let us also talk about Aboriginal Canadians. The poverty problem on reserves is well known and unacceptable. But as well, in Winnipeg, Victoria, Montreal, Regina, Saskatoon and Vancouver over 50 per cent of urban Aboriginals are living in poverty.

In Toronto, it is between 30 per cent and 40 per cent. But these are just statistics... think of the real people involved.

For Aboriginal families we will honour the promises made in the Kelowna Accord and its plan for a better future. Support for Aboriginal Canadians is the right thing to do. It's also the smart thing to do. And it is the fair thing to do.

If we support the development of Aboriginal Canadians, then they, as the only major demographic that is not facing an aging population, will make a growing contribution to the Canadian economy.

Abandon our First Peoples, and Canada will light the fuse on a ticking demographic time bomb.

The cost of doing nothing, which is the Harper plan, is far, far greater than the cost of investing in Aboriginal Canadians.

### **CONCLUSION: FREEDOM AND OPPORTUNITY**

I am proud to lead the Liberal Party of Canada. A Party that built the national social safety net we today take for granted.

Liberals created public pensions for our seniors.

Liberals created our national health care system.

Liberals created employment insurance for our unemployed.

Liberals created child benefit programs for our families.

Liberals were the first to talk about making work pay and using the tax system to help Canadians get over the welfare wall.

Today, and in the days to come, I will be calling on Canadians to support the Liberal Party's 30-50 Plan, to join in common cause with us as we embark on a war on poverty never seen before in Canada's history.

We will win this war not by keeping people dependent but by helping them become self-sufficient.

We will champion the dignity of work. We will champion families.

We will work with the provinces, we will work with communities, we will work with the Learning Enrichment Foundation and other similar organizations.

We will be the best partner that you ever had.

We will work with all Canadians and because of that we will succeed. And we will have a richer Canada, a Greener Canada, and a fairer Canada for ourselves, our children and generations to come.