

**NOTES FOR PRESENTATION
TO
STANDING COMMITTEE ON FINANCE
NOVEMBER 17, 2004**

We welcome the opportunity to present our views to the House of Commons Standing Committee on Finance. I'm the president of the Congress of Union Retirees of Canada, an organization which brings together the retired union members from Canadian Labour Congress Affiliates along with our Provincial Federations of Union Retirees. The CLC presented their views to this Committee on November 4, 2004. Our views, while supportive of their Brief, will reflect the Policies established at our Biennial Convention and naturally will emphasize the views of retirees.

First, we will be making recommendations that will involve additional federal expenditures. We are not shy about this, especially in a period when the government is running large budgetary surpluses. It is amusing to watch the process whereby the surplus is continuously underestimated. For example, in October the finance Minister announced that the surplus was \$9.1 billion rather than \$1.9 billion as announced only a few months earlier. Yesterday he revised these figures. This has happened seven times in a row. Evidently, others are not "amused" and have called for an independent budgetary office to avoid the appearance of political "jiggery-pokery" in forecasting out of the Finance Department.

There are three areas that we want to present to you as priorities as we see them:

Health

Short-term priorities should ensure the financial stability of medicare; expanding the public system to include home care, palliative care; and prescription drugs to address the unmet health service needs; and stemming the tide towards commercial delivery of publicly funded health services. In the longer term we need, among other actions a review of and changes to patent law to deal with the unsustainable cost of prescription drugs. A national formulary and a method of bulk buying similar to the UK system, would help alleviate this system.

Child Care

This is an important family issue for seniors, many of whom are the child care providers in their family, this is more prevalent than is generally realized.

The kind of model we support exists in Quebec and in several European countries, where high quality and developmental care is delivered by community-based centres offering a wide an flexible range of services to meet the differing needs of parents and children, where costs are affordable to parents, and where government financial support keeps fees low and supports decent wages and working conditions for staff.

CURC supports the practical goal of the Child Care Advocacy Association of Canada to increase spending to \$5 billion per year over the next five years, as the first part of a national funding plan tied to specific service targets and a specific timetable for implementation.

Public Pensions

A recent survey by the Canadian Labour Congress shows that many active workforce members are concerned about the availability of their private and public pension incomes when they need them. 73% of respondents said that “protecting retirees’ pensions and retirements income” was an absolute priority. In a previous survey carried out in May 2002, 54% of respondents were worried about “not having enough money to live on in retirement” - so we seem to have a deteriorating position. Recent stories on CBC National News highlighted two pensioners who had lost their pensions due to company bankruptcies. This can and should be remedied.

We believe that the Old Age Security program, is due for an enhancement in benefits:

1. In order to achieve the best targeting of improvements, we would recommend that the increase in benefits be concentrated on the Guaranteed Income Supplement component.
2. An increase in the benefit rate of \$100 a month would be a modest move towards the goal of making the public pension system more adequate. Currently, the combination of OAS and

GIS payments for a single person would total only about \$1000 a month.

3. A particular motivation for recommending improvements in this area is the poverty created among female elderly. Recent data is hard to come by, but the last Canadian Fact Book on Poverty produced by the Canadian Council on Social Development indicated: ***“Despite gains, the rate of poverty among unattached elderly individuals remains high, at 45.0% in 1997. As well, the poverty rate among elderly households has a pronounced gender bias. In 1997, 49.1 % of unattached elderly females were living in poverty compared to 33.3% of elderly males.”***

As I said earlier we support the Canadian Labour Congress' positions as previously presented to the committee and welcome a change to explore our proposals with the committee. If we had more time, we would have liked to explore housing, because this is a need that affects seniors more and more.