

A society based on equality [CA] ^[1]

Author: Goar, Carol

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EXCERPTS

Even when he was cutting social services, reducing jobless benefits and paring health-care spending, Paul Martin always claimed that his ultimate goal was to close the gap between rich and poor.

It has been one of the consistent themes of his political career.

In 1995, when he launched his deficit busting drive, Martin assured low-income Canadians he had not forgotten their needs. "There is so much more that we would like to be able to do for the millions of Canadians who worry simply about making ends meet."

In 1997, as the fiscal outlook improved, he urged the nation to look beyond the balance sheet. "Let us never come to believe that there is such a thing as a tolerable level of child poverty or that a growing gap between the rich and poor is ever acceptable."

In 1998, as reflected on Canada's future, he laid out his benchmarks of success. "The great nations of the 21st century will be those that recognize the incomparable value of a vibrant and expanding middle class, where the gap between rich and poor is always narrowing, where the mainstream is always widening, where the quality of life is lifted for all."

In 2000, as he cut taxes by \$100 billion, he warned Canadians against myopic individualism. "We cannot subscribe to the view that it is everybody for themselves, that it is winner take all. How can we fulfill our promise as a nation if our vision of the national interest is restricted by self-interest?"

And last month, in his acceptance speech at the Liberal convention, Martin affirmed his desire to reverse the polarization of wealth. "I don't believe trickle-down economics works, or that rising of levels of inequality speak to a healthy society," he said.

What Martin has rarely done, in his 15 years in public life, is connect his egalitarian principles to the practical tools a politician can use to narrow income inequities.

As a minister in Jean Chrétien's government and a Liberal backbencher, he could avoid specifics. But as Canada's 21st prime minister, he will have to explain how he intends to achieve his objective.

There is no shortage of policy instruments available. But most of them are rusty, expensive or controversial.

Which ones Martin chooses - and how boldly he uses them - will say a lot about his style of leadership.

The most flexible tool at his disposal is the tax system.

Martin could add a couple of brackets at the upper end. He could introduce an inheritance tax, which Canada hasn't had for 30 years. Or he could enrich the refundable tax credits available to lower-income households.

None of these moves would be popular with affluent taxpayers. But they would begin to shift wealth from the privileged to the needy.

A faster technique would be to invest in affordable housing.

The single biggest cause of poverty in urban Canada is the high cost of shelter. Hundreds of thousands of families pay more than half of their income in rent, making it extremely difficult to build a better life for their kids.

An equally effective, but longer-term, strategy would be to invest in early childhood education.

All of the academic research shows that a child's life chances are largely determined before he or she starts school. By giving low-income kids a running start, Martin could go a long way toward breaking the cycle of intergenerational poverty.

He would face resistance from opponents of subsidized child care, but millions of parents would thank him.

Martin could also intervene at the other end of the education spectrum, ensuring that university is accessible to all qualified students, regardless of family income.

As finance minister, he tried to lower the barriers to post-secondary institutions by establishing Canada Education Savings Grants. But

most of the benefits ended up going to better-off families.

If his aim is to level the playing field, he will have to use more direct means.

Raising the minimum wage would be an obvious way to reduce economic inequities. In most provinces, it falls 30 per cent below the poverty line.

Unfortunately, Martin can't do much except give the premiers a prod. Minimum wage rates are a provincial responsibility.

Similarly, job training lies outside federal jurisdiction, although the provinces would be happy to receive more financial support from Ottawa.

One area in which the federal government could act is immigrant support.

A generation ago, most newcomers found an economic foothold and caught up to their Canadian counterparts within a few years. Today, many remain trapped in menial jobs.

It would take money and moral suasion to reverse this trend. But it can be done.

Martin will have plenty of excuses for inaction - budgetary constraints, intergovernmental friction, competing priorities, business disapproval, taxpayer resistance. But he knew that when he pledged, two and a half weeks ago, "to build a society based on equality, not privilege."

It was a big promise. It will take a big prime minister to keep it.

- reprinted from Toronto Star

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