

98.7 REINVESTMENT OF FEDERAL BUDGETARY SURPLUS

Whereas, in the Speech from the Throne, September 1997, the Government of Canada promised to devote one half of the surplus in this mandate to addressing the social and economic needs of Canadians, and the other half to reducing taxes and paying down the debt; and, in his October 15, 1997. Financial Statement to the Standing Committee on Finance, the Hon. Paul Martin predicted that the federal deficit will be eliminated no later than the fiscal year 1998-1999, and
Whereas, the proportion of the National Debt owed outside Canada is falling sharply; and
Whereas, social programs benefit mainly low and modest income earners, are an investment in families and individuals, and strengthen the social fabric; and
Whereas, recent reports indicate that women's income has fallen in recent years, partly because of cuts to social programs; and
Whereas, the income tax system has become increasingly less progressive over time and across the board tax cuts benefit chiefly high income earners; and
Whereas, directing tax cuts at lower income earners, who spend a greater proportion of their income on consumption, is a more efficient way of stimulating consumer spending and reflects a more equitable approach; and
Whereas, failure to index the levels of tax brackets to inflation means that lower income earners find themselves in higher tax brackets over time; and
Whereas, a number of benefits to Canadians as well as the ceiling at which they are delivered are not fully indexed to inflation, the value of benefits erodes over time and fewer people are covered; and
Whereas, cuts to payroll taxes, such as Employment Insurance, benefit chiefly upper income earners; therefore be it

RESOLVED, that the national Council of Women of Canada urge the Government of Canada to keep its promise to restore and to invest further in social and health programme funding; and be it further

1. Maintain a program of gradual debt reduction; and
2. Provide the greatest benefit to low and modest income earners by: a. Setting a basic threshold below which low income people pay no tax b. Reinstating indexing to inflation for tax brackets and social benefits c. Abolishing the surtax on low income earners and progressively reducing the surtax on middle income earners d. Progressively reducing tax rates e. Introducing additional tax brackets, especially for very income earners; and be it further

RESOLVED, that the National Council of Women of Canada urge the Government of Canada to reinvest the Employment Insurance Fund surplus in programs to help the unemployed secure employment, rather than to cut premiums.