

BULLETIN

## Vital measures needed to rebuild medicare, improve the health of Canadians

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A group of national and community organizations released an Alternative Federal Budget in late January that says vital measures are needed to resuscitate Canada's ailing health care system and improve the social and economic well-being of Canadians.

"Thirty years after Canadians built a publicly-funded, universal health care system, Medicare is in crisis," said Pat Armstrong, Director of Canadian Studies at Carleton University and chair of the AFB health policy committee. "In its lopsided battle against the deficit, Ottawa has walked away from its responsibility as the guardian of Medicare. Our budget, by contrast, recognizes the critical role the federal government must play in the health care system and presents a comprehensive, multi-year plan to ensure that all Canadians, no matter where they live, receive the care they need when they need it."

*Vital Measures: The 1999 Alternative Federal Budget* proposes an additional public investment in Medicare of \$2 billion in 1999, and \$4 billion per year over five years. The budget also dedicates \$2 billion for a public home care program and \$500 million for the phasing in of a National Pharmacare plan.

"Our budget will protect and improve the health of Canadians not only by reinvesting in Medicare, but also by addressing the root causes of poor health...unemployment, poverty, inequality, lack of access to education, and environmental pollution," said Paul Leduc Browne, senior research fellow with the Canadian Centre for Policy Alternatives.

Under the AFB plan, validated by the independent economic forecasting firm Informetrica, the unemployment rate falls below six per cent by 2001 and the poverty rate is reduced from 18 per cent to 12 per cent in four years. This is accomplished at the same time as the budget is balanced and the overall federal tax-to-GDP ratio remains constant.

"Despite what Finance Minister Paul Martin has been saying in recent days, the federal government is poised to reap huge budget surpluses over the next two years," said Jim Stanford, economist with the Canadian Auto Workers Union and chair of the AFB macroeconomic committee. "Using the surplus to pay down the debt or cut taxes at this time is pure folly. With continuing global financial instability, it's important the surplus be spent on public programs to stimulate job creation and economic growth here in Canada."

The AFB increases core program spending by \$12 billion in 1999 and increases unemployment insurance benefits by \$6 billion.

-Lets be absolutely clear that the federal government hasbalanced the books on the backs of some of the poorest Canadians ... theunemployed," said John Loxley, professor of economics with the University of Manitobaand co-chair of the AFB steering committee. -Cuts to unemployment insurance benefitsaccount for half the total cut in program spending in recent years. Our budget restoresand improves benefits to the hundreds of thousands of unemployed Canadians who have paidpremiums but have been shut out of the system."

The Alternative Federal Budget, now in its fifth year, is coordinatedby the [Canadian Centre for PolicyAlternatives](#) and CHO!CES: A Coalition for Social Justice. The AFB is a project of abroad range of national and community organizations dedicated to showing there aresensible alternatives to the current governments fiscal and monetary policies.

Sources: [CanadianCentre for Policy Alternatives](#) and *CHO!CES: A Coalition for Social Justice*.

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