

NEWS EDITORS - FOR IMMEDIATE RELEASE

May 3, 2006

**GEE, WE COULD HAVE WIPED OUT CHILD POVERTY:
REFLECTING ON THE 2006 FEDERAL BUDGET**

The money earmarked for tax cuts in Tuesday's federal budget speech could have been used instead to wipe out child poverty in Canada, says First Call, the BC Child and Youth Advocacy Coalition.

"The Conservatives had the choice of being dramatic or being pedestrian, and they decided to be pedestrian," said First Call spokesperson Steve Kerstetter.

The papers released with the budget speech put the total cost of the tax measures at \$11 billion for the 2006-2007 fiscal year. That's almost twice the "poverty gap" of \$6 billion for families with children as last reported by Statistics Canada.

The \$6 billion is the cost of bringing the incomes of all poor families with children up to the poverty line, as measured by the low income cut-offs of Statistics Canada before income taxes.

Members of all parties in the House of Commons agreed unanimously in 1989 to work to end child poverty by the year 2000. Despite some positive initiatives undertaken by governments in recent years, the child poverty rate is almost the same as it was in 1989.

"It's strictly a question of political will," said First Call chair Michael Goldberg. "The budget shows we have more than enough money to win the war on child poverty. "The trick is directing the money to where it will do the most good."

The personal tax changes in the 2006 budget - particularly the reduction in the GST from seven percent to six percent - account for the lion's share of government revenues lost to tax cuts. Even so, the billions of dollars spent on tax cuts will make little difference in the lives of many Canadians.

The budget papers show the poorest Canadians will save only \$96 on average in 2007 - or 26 cents a day. People with incomes of \$15,000 to \$30,000 will save an estimated \$298 on average in 2007 - or 82 cents a day.

"Having an extra 26 cents or an extra 82 cents in your pocket isn't going to change your life or your lifestyle," said Goldberg. "That money could have been much better spent on a much nobler cause - a cause like eliminating child poverty."

Using federal dollars alone is only one possible way of wiping out child poverty. Ideally, provincial and territorial governments would join in the project. And much of the money would

come from increases in minimum wages that would allow parents in the paid labour force to help work their way out of poverty.

“Ending child poverty is no longer a pipe dream,” said Kerstetter. “It’s a very realistic goal that should be pursued by all governments of all political stripes.”

One of the much-anticipated highlights of the 2006 federal budget was a new benefit of \$1,200 a year for each child under six. First Call supports the idea of using federal child benefits to help defray the cost of raising children. However, it very much regrets the Conservative government’s related decision to cancel plans for a national child care program negotiated by the previous Liberal government.

“The \$1,200 benefit is really a family allowance and not a child care program,” said Goldberg. “A sound child care program is absolutely essential, given the number of women with young children who are in the labour market. A labour market that cannot have access to these women because of a lack of child care is virtually unthinkable.”

First Call is a coalition of provincial and regional organizations, smaller groups and individuals who believe that children and youth should have “first call” on the resources of government. First Call is also a member of Campaign 2000, the national coalition dedicated to ending child poverty in Canada.

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