

A Call for Recession Relief

The oldest Canadians living among us lived through five major economic downturns:

- The Great Depression of the 1930's
- The post-war recession of the 1950's
- The Oil shock of the 1970's
- The inflation and interest rate downturn of the 1980's; and
- The "structural" recession of the early 1990's

After each of the first four major downturns in our living memory, we rebuilt our social programs, our services and the safety net that protects us all.

But after the last recession in the 1990's, Canada turned in a different direction - towards markets and smaller government for its answers.

Our leaders were seduced by shiny new solutions and lost their collective memory - so often the case among those finally insulated by more than one generation from the lessons of the past.

As we looked on, our governments cut holes in our safety net, remade the lie that poverty was personal, removed services, lowered wages, watched as inequality grew, defunded programs and then promoted the mythology that markets would create the rising tide that would raise all boats.

After the crash of 2008 - when imperfect markets - not social spending, brought the 'party' to a close, our governments moved fast to solve the problems they helped create.

Yet the same governments that presided over the longest and most relentless erosion of our safety net during better times still fail to recognize that the poorest and most vulnerable among us gained little during what many believe to be the longest sustained recovery of the post war period.

This means that the new stories of poverty emerging now resonate with an eerie similarity to a more distant past. One element of that similarity was that then, as now, the federal government did not listen.

In April 1930, seven months after the crash of 1929, the provinces asked the Federal Government of Mackenzie King to contribute towards the cost of their public works programs.

In the House of Commons in April, 1930, the Prime Minister famously thundered,

"With respect to the giving of moneys out of the federal treasury to any government in the country for these alleged unemployment purposes, with these governments situated as they are today with policies diametrically opposed to those of this government, I would not give them a five cent piece."

And just this past week, eight months after the crash of 2008, our federal government tabled its intents toward poverty reduction - without overt partisan bluster - but with equal effect:

"Canada does not accept recommendation 17 or the related recommendation ... to develop a national strategy to eliminate poverty. Provinces and territories have jurisdiction in this area of social policy and have developed their own programs to address poverty. For example, four provinces have implemented poverty reduction strategies. The Government of Canada supports these measures, notably through benefits targeting children and seniors. These efforts are having a positive impact: low-income rates for seniors, women, and children have fallen considerably in the past decade."

For both federal governments, even though 80 years separates them, the statements are equally preposterous.

The federal government owns, controls, administers or funds almost 85% of the income security programs in Canada. To cede social policy and governance respecting poverty to sub-national governments with no reasonable prospect of capacity or success - is either an act of cruelty or fantasy - and most likely both.

And with so many unable to access Employment Insurance and with welfare doors often shut, the new stories resemble those we read from the 1930's when neither of these programs were firmly in place.

Our reason for being is to tell those stories and to fight for reinstatement of the social safety net in all its forms - services, income and infrastructure. Failure to recognize the importance of the safety net was the great mistake of the early 1930's and for almost 60 years, we learned and relearned that lesson. We set it aside in the 1990's and the first years of the new millennium.

We cannot forget that lesson today.

John Stapleton,

Revised,

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