

A woman with brown hair, wearing a grey cardigan and a necklace with a circular pendant, is looking down at a white plate. On the plate, several Canadian banknotes are fanned out, including a 50-dollar note, a 20-dollar note, and a 10-dollar note. The woman's hand is resting on a red and white checkered placemat next to the plate. The background is a plain, light-colored wall.

Budget Watch 2012



Canadian Labour Congress
Congrès du travail du Canada

Budget Watch

2012



Plate of Money by GKS | [flickr.com](https://www.flickr.com/photos/gks/)

The background of the top half of the page features a close-up, grayscale image of a person's face, specifically the eyes and forehead. A semi-transparent grid pattern is overlaid on the image, creating a technical or digital aesthetic. The lighting is soft, highlighting the contours of the face.

Labour's Budget Priorities

Budgets are all about choices.

The middle class is shrinking and the government is allowing it to happen.

The gap between Canada's highest and lowest income earners is growing.

It's time for the government to take a larger and stronger role in making the economy work for the average Canadians. This government should be developing policies that ensure Canadians can afford their basic needs in tough times.

Ottawa should use this budget to help create good, family-supporting jobs and services, not to destroy them. The budget should improve the retirement security of Canadians, not to undermine it by cutting back on Old Age Security benefits to seniors.

Governments have a role to play in job creation and in helping Canadians to meet their basic needs during their working lives and in retirement.

Create jobs & services, don't destroy them

The Conservative government has chosen to borrow billions of dollars to spend on tax giveaways to corporations who don't need the money and who are sitting on the cash rather than investing in creating jobs.

Now the government proposes to pay for those tax breaks by making drastic spending cuts. This could destroy as many as 100,000 jobs and will result in the loss of important public services to Canadians – everything from food inspection, to environmental programs, to paying out Employment Insurance and old age pensions.

Canada has lost 500,000 well-paying manufacturing jobs since 2003. Wages are stagnant, households now hold record debts of more than 150% of income, and inequality is on the rise.

Ottawa has allowed foreign companies like Caterpillar to buy Canadian companies only to shut them down, and the government gave them tax breaks while they were doing it.

The best way for Ottawa to balance the books is to assist in job creation so that working people can make a decent living and pay taxes.

Enhance Retirement Security

Prime Minister Harper says he is thinking about imposing limits on Old Age Security (OAS), which is paid to every Canadian 65 years of age and older. A government that has poured billions of dollars into unproductive tax giveaways to corporations now says that it cannot afford OAS at a time when a growing number of people will retire into poverty.

A Conservative move to raise the retirement age would punish those people who are worn out from working at physically demanding jobs, like nursing and construction.

Raising the retirement age would also punish poor seniors because OAS and the Guaranteed Income Supplement (GIS) account for a large part of their retirement income. It punishes young people who also deserve decent pensions when they retire.

OAS changes would also mean a downloading of costs to provincial governments, who would have to assist poor seniors out of social assistance budgets.

The retirement security crisis goes beyond the OAS, as important as it is. The real problem is decent retirement income because 60 % of Canadians don't have a workplace pension plan.

The best way to provide for retirement security is to improve the Canada Pension Plan/Quebec Pension Plan (CPP/QPP). The CLC has offered a credible and affordable proposal for an improved CPP/QPP. The CLC's plan would ensure that future generations have enough money in the CPP to retire and they would not need government assistance through GIS.

The Conservative government has chosen instead to promote another RRSP-style scheme called Pooled Registered Pension Plans, which will benefit banks, mutual fund and insurance companies more than they will help Canadians save for retirement.

Support unemployed workers

Fewer than 40% of the 1.4 million unemployed workers in Canada are receiving Employment Insurance benefits today.

The improved benefits that the CLC fought for in the recession have expired. Many unemployed workers have run out of EI benefits and are forced to sell assets and property, or collect welfare to survive.



Reverse corporate tax giveaways

The government says that providing tax breaks to corporations is the best way to create jobs, but that is not true.



Companies are sitting on almost \$500 billion of surplus cash. They are using that money to provide higher dividends to shareholders and to pay exorbitant salaries to CEOs.

The Conservative corporate tax cuts will cost us \$13 billion in foregone revenues in the fiscal year 2012-13.

Tax cuts rob the government of money that could be put to good use creating a greater number of jobs in infrastructure projects and public services.

Ottawa should be investing these billions of dollars in Canadian families rather than giving taxpayers' money to corporations who don't need it.



Canadian Labour Congress

Congrès du travail du Canada



National Headquarters

2841 Riverside Drive
Ottawa, ON K1V 8X7
Telephone: 613-521-3400
Fax: 613-521-4655



Atlantic Region

2282 Mountain Road
Moncton, NB E1G 1B4
tel: 506-858-9350 fax: 506-858-9571
atlantic@clc-ctc.ca



Ontario Region

15 Gervais Drive, Suite 401
Toronto, ON M3C 1Y8
tel: 416-441-3710 fax: 416-441-4073
ontario@clc-ctc.ca



Prairie Region

1888 Angus Street
Regina, SK S4T 1Z4
tel: 306-525-6137 fax: 306-525-9514
prairie@clc-ctc.ca



Pacific Region

#201 - 5118 Joyce Street
Vancouver, BC V5R 4H1
tel: 604-430-6766 fax: 604-430-6762
pacific@clc-ctc.ca



Québec

**Fédération des travailleuses et
travailleurs du Québec**
565, boulevard Crémazie Est, bureau 12100
Montréal, QC H2M 2W3
tél: 514-383-8000
ftq@ftq.qc.ca

canadianlabour.ca

