



Budget Watch2012



Plate of Money by GKS | **flickr.com**

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.

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We want the government to invest, in partnership with the provinces and cities, in a major, multi-year program of infrastructure projects and badly-needed public services.

These investments can be paid for by reversing tax giveaways to corporations. Finance Department figures show that \$1 billion invested in infrastructure creates more than five times as many jobs as the same amount spent on corporate tax cuts.

We can afford to invest more in infrastructure. Debt and deficit are not major problems. Canada's net debt is 34% of GDP, much less than the OECD average of 63%. Interest rates are at record low levels.

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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.



WHAT WE COT.

We want a national summit, involving all major stakeholders, on the future of Canada's retirement income system in the wake of the government's stated intention to impose limits on Old Age Security (OAS).

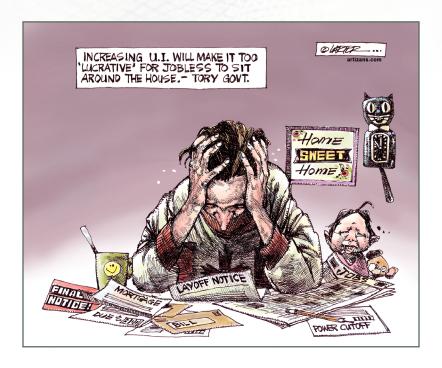
We want a firm commitment from this government for a gradual and fully-funded doubling of CPP/QPP benefits. This won't cost the government a penny because the CPP/QPP is paid for by workers and their employers.

We want an immediate increase of 15% in the GIS to eliminate poverty among today's retirees.

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.





We want the Employment Insurance measures introduced during the recession to be extended and improved, and we want a major push on retraining workers for the jobs of tomorrow.

WHAT WE GOT:		

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.



We want Ottawa to restore the federal corporate tax rate from today's 15% to 19.5%. This would still be less than the 21% rate when the Conservatives started cutting taxes, and it would still be one of the lowest rates in the G7 group of countries. This move would raise about \$10 billion this year in added tax revenue which could be put to good use.

WHAT WE GOT:					





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