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 CANADIAN CENTRE  
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# FAST FACTS

**March 15, 2012**

## Canadians Deserve “A Budget for the Rest of Us”

**A**s the federal government begins to reveal tidbits about what Canadians can expect in the 2012 federal budget, many of us are understandably anxious about our future. We are increasingly concerned that our children and grandchildren will not do better or even as well as we have. We wonder whether important programs and services will be available to us and our families as the government moves forward with plans to cut department budgets by 10 percent over a three-year period.

The Harper government continues to report that the economy is strong. However, this is not the reality for too many Canadians: while the latest job numbers show improvement in the job market, they fail to account for the thousands of Canadians who have lost hope and given up looking for work. They also fail to reflect the disturbingly high rate of unemployment among youth and Aboriginal people.

Income inequality continues to take on extreme dimensions. Stagnant wages for most Canadians have meant that many are taking on more debt as they try to keep up with increasing costs. It is now at a point where the Bank of Canada Governor Mark Carney has raised repeated warnings about household debt. At the same time corporate Canada continues to build its corporate cash stash from a decade of tax cuts.

Finance Minister Jim Flaherty has confirmed that programs will be cut in 2012 but he also said full details of their plan to cut \$4-8 billion in spending will not be laid out in this budget. We do know that it will be a fiscal austerity budget with cuts to public sector jobs, services, and social programs. The government argues this is necessary to pave the way for jobs and growth. In fact the opposite is true. Austerity programs weaken the economy, and their implementation in many European countries has tipped the EU back into recession, fuelled unemployment and increased their debts and deficits.

The Canadian Centre for Policy Alternatives, and the many organizations that we collaborated with in the development of our 2012 Alternative Budget, call on this government to deliver a transparent budget that not only protects the services that Canadians rely on, but expands them. We propose an anti-austerity plan that will yield high returns, boost productivity, stimulate private investment, and create high value-added jobs in activities that improve living standards and reduce income inequality.

It is time to scrap costly programs like new prisons and fighter jets that don't reflect the priorities of Canadians and instead focus on future growth. Instead of more cuts, prisons and corporate tax breaks, the Alternative Federal



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## *FAST FACTS continued ...*

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Budget delivers a fully costed budget with a complete macro-economic framework built for implementation. Its impacts on the economy and employment are transparent and up front. Our plan creates over 300,000 jobs. It provides the answer to stagnant growth and inequality by dramatically improving key services, not cutting them.

We show how we can begin to reverse the slump that we are in. We show that there is an alternative.

The Alternative Federal Budget shows how we can invest in public programs, job creation, and infrastructure to the benefit of all Canadians and still balance the books. It is A Budget for the Rest of Us.

- Our plan tackles poverty and income inequality through public programs including education, affordable housing, public pensions, universal pharmacare, and national child care – these are all programs Canadians support.
- Instead of ignoring all of those discouraged workers who've given up looking for a job, our plan would create jobs, lowering the unemployment rate to 6% or less
- Our plan also calls on the affluent to contribute their fair share, by closing tax loopholes for the wealthy and ending the federal government's failed corporate tax cut experiment. It's time our governments turn to new revenue-generating solutions to reduce income inequality and to protect the public services mainstream Canada cares about.
- Our plan transforms Canada from an international laggard on the environmental scene into an environmental leader, with a forward-looking green strategy that will make all Canadians proud.
- And our plan invests in a long-term physical infrastructure program to repair aging infrastructure in our cities, create jobs, and build more sustainable communities.

A Budget For the Rest of Us is not a radical budget. It is a budget that recognizes the damaging effects of the growing inequality we are experiencing in Canada. It is in step with concerns being raised by respected organizations about the kinds of free market strategies that the Harper government embraces. Both the Bank of Canada and the Conference Board of Canada have raised concerns about growing inequality in Canada and the OECD is challenging countries with growing inequality to “mind the gap” and learn from past mistakes. The OECD's recent publication Better Policies for Better Lives notes that “the fruits of strong economic growth in the pre-crisis years were not shared equally; the rich benefitted far more than middle- and low-income people.” Tax cuts, it says, have favoured the rich and exacerbated the growing gap between the rich and poor. It warns that broad cuts in social spending have been misguided and “spending on good-quality social policies is a sound investment to improve well-being. Cutting such social expenditures can have long-term costs.”

The CCPA's A Budget for the Rest of Us ‘minds’ the inequality gap. It presents a plausible and sensible revenue and spending plan that begins to address the damage done and gives Canadians renewed confidence and hope for the future.

*Shauna MacKinnon is the director of the Canadian Centre for Policy Alternatives - Manitoba*



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