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## Federal budget should be invested in Canadians not debt reduction

OTTAWA – Conservatives are not the good fiscal managers they would like the country to believe and there is plenty of evidence to prove it. According to John Gordon, National President of the Public Service Alliance of Canada (PSAC), Conservative budgets have been contributing to a growing gap between rich and poor Canadians.

“Why is it that, in spite of continued economic growth, poverty is still on the rise in Canada,” says Gordon. “Nearly one in six Canadian children live in poverty; one in four in First Nations communities. Our social safety net is disappearing and economic disparity and social exclusion are deepening.”

Since their election, Conservative budgets have been designed to provide a few ‘goodies’, such as the GST reduction and the taxable child care allowance, that are of little real benefit to individuals but advance the government’s agenda of undermining publicly funded services and reducing their role in meeting Canadians’ priorities. The money lost by reducing the GST by just 1% could have financed a universal early learning and child care system for three to five-year olds across the country.

At the same time the Harper government has been devoting large surpluses to debt repayment, they’ve been cutting social programs. Debt reduction will be cold comfort to the working families affected by the impending economic slowdown and who are even now living from pay cheque to pay cheque. Nor will it help new immigrants already clustered in low-wage, no benefits, precarious work.

“Conservative ideology has blessed corporations with unnecessary tax cuts and the sell-off of public assets to private interests,” says Gordon. “They’ve accelerated a process that has seen average real wages remain stagnant over the last 30 years while corporate profit shares have risen to a 40-year high. They’ve favoured the wealthy few over the working majority. As programs and services are cut, most Canadians have to dig deeper to pay user and other fees, regardless of their ability to pay.”

PSAC has its own prescription for a better federal budget that includes measures to ensure quality jobs, economic fairness and a secure future.

Instead of using the surplus to pay down the debt, use it to increase public spending to grow the economy and counter the effects of a slowdown. Invest in social programs that will have maximum benefit such as national pharmacare, national child care and affordable housing. Make eliminating poverty a real priority.

Instead of tax reduction, create a new tax bracket for people at the top, fully tax capital gains and reverse the planned corporate tax cuts since they will only benefit corporations that are doing well and won’t help those that really need the help.

Instead of cutting federal programs, take the lead by beefing up environmental protection for our north, our fish stocks and wildlife habitat, to name a few. Instead of empty rhetoric about human rights, restore the Court Challenges Program and funding for women’s advocacy groups. Instead of just talking about economic competitiveness, restore the latest GST cut and invest it in literacy programs and more support for education.

Gordon concludes that “there can be no economic stability where poverty and inequality exist and are on the rise. Canadians need and deserve much more than the usual dish the Conservatives are likely to serve up.”

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