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## **Conservative platform will put government in deficit-report**

OTTAWA-Can the three major national parties pay for what they say? That's the question posed by a new study released today by the Canadian Centre for Policy Alternatives.

*Can they pay for what they say? A pre-election comparison of the Conservative, Liberal, and New Democratic platforms*, by economists Ellen Russell and Sheila Block, assesses the ability of the parties to balance their budgets and deliver on their promises.

The study adopts revenue estimates accepted by each of the three parties, as presented in the 2004 Federal Budget. The authors have also adopted realistic assumptions for program expenses and public debt charges to come up with a status-quo cumulative budget surplus of \$78 billion between 2004/05 and 2008/09.

Key findings include:

... When the impacts of the Conservative platform are added to the status-quo base case, the party would run a cumulative deficit of \$11.4 billion over five years. In implementing their platform promises, the Conservatives would run annual deficits of \$0.7, \$3, \$4 and \$5.6 billion.

... Between 2004/05 and 2008/09 the Liberal platform would produce a cumulative surplus of \$24.2 billion-consistent with the Liberal government's practice of generating large surpluses and using them to pay down the debt.

... The NDP platform would result in a cumulative surplus of \$14.6 billion, which is considerably more than the \$5.3 billion in cumulative surpluses that the party claims in its platform.

"Once again the Liberals underestimate fiscal capacity for program spending. This is likely to result in diverting 'surprise' surpluses to debt repayment," says CCPA Research Economist Ellen Russell.

"Furthermore, higher than expected surpluses for the NDP provide extra capacity to enact further spending increases, reduce tax increases, or absorb any unanticipated revenue shortfalls," adds CCPA Research Associate Sheila Block.

"The Conservatives cannot pay for what they say. Their cumulative budget deficit of \$11.4 billion obliges them to explain how they intend to deal with this shortfall-by either cutting spending or increasing the federal debt," concludes Russell.

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*Can they pay for what they say?* Is available on the CCPA web site:

<http://www.policyalternatives.ca>

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