

# Nova Scotia Federation of Labour, CLC

## *MEDIA RELEASE*

---



April 1, 2004

## **There are alternatives to user fees and privatization says labour federation**

*Halifax, N.S.*-Nova Scotia Federation of Labour President Rick Clarke has written Premier John Hamm asking why the Government would rather privatize services and impose user fees instead of looking at very viable alternatives to help the province's finances.

"We know this is a reaction to the Federal Budget, but if federal government fails to come up with sufficient funds to help restore and ensure the health care system is there for everyone - the provincial government should look at alternatives to privatization and/or to cutting services or imposing user fees – there are other choices.

"There is a very viable and realistic option to help meet the challenge and that is to restore the 10% income tax that has taken about \$147 million out of provincial coffers, a tax cut that the average Nova Scotian taxpayer received little benefit from from - if fact the majority of the benefit (55 to 56%) from this move will go to the top 20% tax payers/income earners, leaving the remainder to be shared by the remaining 80% wage earners proportionally to their income level," said Clarke.

Clarke acknowledged that Hamm is correct in blaming Ottawa for its role in the state of our finances, but placed an equal share of the blame on the Hamm Government for their role in this economic crisis.

"To take approximately \$147 Million out of the provinces' coffers when we clearly could not afford it is far from a fiscally responsible act," said Clarke in conclusion.

-30-

(A copy of the letter is attached for your reference)

Rick Clarke can be reached for comment at 902.454.6735 (office) or (902) 434.5612 (home)

**N.S. Federation of Labour, CLC. 3700 Kempt Rd., Suite 225, Halifax, N.S.,  
B3K 4X8. 902.454.6735 (phone) 902.454.7671 (fax)**

April 1, 2004

**Dear Mr. Premier:**

We are writing to add our voice of concern regarding your recent statements on the possibility of turning to the private sector to help meet the demands and needs for health care in Nova Scotia.

We realize the statements attributed to you followed closely behind the recent Federal Budget about which you had also expressed your displeasure regarding the lack of federal funding to meet the needs of such important matters as health care.

We also expressed our displeasure and disappointment with the Federal Budget, but we can assure that we cannot imagine our disappointment reaching the stage where we would even think of further privation of health care services.

Although we, as indicated, hope these comments were made out of frustration and not a reflection of intent; we feel we must also register our extreme disappointment and disapproval of such a public musing on such an important issue to the peoples of this fine province.

As you recall when then Minister of Health Purves attended a First Ministers' conference on Health Care on your behalf, we in the Labour Movement participated in a joint press conference with the Minister, to send a united front and message on the need to ensure our national health care system and your comments of the possibility of privatization betrayed that trust.

If the federal government fails to come up with sufficient funds to help restore and ensure the health care system is there to provide the much and valued services to all; there are other alternatives to privatization and/or to cutting services or imposing user fees – there are other choices.

We have also written to the Minister of Health as well as the Minister of Finance raising the questions of priorities and choice and we have enclosed copies of the respective correspondence for your information and ready reference.

We should point out that we have a meeting scheduled with your Minister of Health for the morning of April 2, 2004 and we are awaiting the response to our letter and request to meet with the Minister of Finance.

Mister Premier, you will note in the correspondence to both Ministers that we believe there to be a very viable and realistic option to help meet the challenge and that is to restore the 10% income tax that has taken in the area of \$147 million out of provincial coffers.

We believe that this would be fairer than any of the other “options” being discussed as possibilities if monies are not coming forward from the federal government.

Unfortunately it is very clear that you and your government are more supportive of placing additional burden on consumers by increasing user fees, which is a form of tax increase, rather than reintroducing the ill-conceived 10% income tax cut that took much needed money out of provincial coffers, and now you are seeking ways to place this burden on consumers of these necessary services to off-set the short fall.

We feel we should also point out that the average Nova Scotian tax payer received little from your 10% income tax cut; in fact the majority of the benefit (55 to 56%) from this move will go to the top 20% tax payers/income earners, leaving the remainder to be shared by the remaining 80% wage earners proportionally to their income level

You are correct in pointing the finger at Ottawa for their role in the state of our finances, but Mr. Premier there equally should be a finger pointed at you and your government for your role in this economic crisis – to take approximately \$147 Million out of your coffers when we clearly could not afford it is far from a fiscally responsible act.

This is a very serious matter and we would appreciate the opportunity to discuss this further with you or other representatives of your government, for we sincerely believe, the fine citizens of Nova Scotia expect and deserve to fairer treatment from their government.

Yours truly,

**RICK CLARKE**

President

RC/jv/opei-225/enc.

copy: Honourable Peter Christie, Minister of Finance  
Honourable Angus MacIsaac, Minister of Health  
Mr. Darrell Dexter, Leader of the Opposition  
Wayne Gaudet, Interim Liberal Leader  
Media