



Nova Scotia  
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Wednesday, December 12, 2007

**What Canadians really need for Christmas**

By Rick Clarke, President, Nova Scotia Federation of Labour

After reading the opinion “What Canada needs for Christmas” by Nancy Hughes Anthony who is president and CEO of the Canadian Bankers Association; I was immediately prompted to put forward another Christmas wish list, “What Canadians really need for Christmas”.

See the letter @ <http://www.thechronicleherald.ca/Letters/997475.html>

Although my wish list is also for Federal Finance Minister Jim Flaherty and his provincial counterparts, as they meet in Ottawa, I thought I would also send it to Santa as well; believing our Finance Ministers already know what Canadians really need for Christmas and few are showing concern or leadership to effectively address these needs, so a copy to Santa can't hurt.

Firstly, I do not believe the wish list put forward on behalf of the Canadian Bankers Association will prove to be very beneficial for the average Canadian family -- for the primary focus of this wish list is for even more tax cuts.

We recently had the opportunity to address the question of taxation before a federal committee on pre-budget consultation where we clearly stated that we not believe in tax cuts. Cutting taxes not only reduces the services Canadians depend on, but it also reduces the revenue the country relies on to manage fiscal debt and expenditure pressures it faces.

When governments, at any level, are reviewing their respective tax structure they should use fairness as a principle criteria to guide their decisions about changes to taxes. Upper income citizens and large corporations have the greatest ability to pay and have been the major beneficiaries of the growing economy and previous tax cuts.

An appropriate form of taxation for corporations is just that - taxation, not tax breaks or cuts, and it must be based on the ability to pay. The same applies to individuals.

In a recent Environics Research poll, 76% of Atlantic Canadians supported “increasing taxes on wealthier Canadians to pay for programs that benefit the rest of the population ...,” while overall 70% of Canadians interviewed agreed with the statement.

Another Environics poll released this year showed that any government that takes concrete action to reduce Canada's growing income gap would enjoy support from the majority of Canadians.

...2

Any tax cut plan would take away money desperately needed to reduce that gap and to pay for child care, affordable housing and tuition, all priorities for Canadians.

We do not believe that the federal government needs to ensure that corporate taxation is competitive with that in other countries as a measure of progress; rather it should look to the economic prosperity of those who have fair taxation and spend the money on social services and infrastructure as an example to emulate. We need fair taxation, not competitive taxation.

And despite continuous proclamations or claims, corporate tax cuts do not appear to find their way down to benefit Canadians, other than perhaps those who push so hard for these cuts.

Statistics Canada recently revealed that the value of Canada's fixed assets rose by only 2% per year from 1997 through 2007. Half of this growth occurred in Alberta. Investment barely exceeded depreciation in the rest of Canada.

This anemic business investment bodes poorly for the future of Canada's labour market. More real investment in a wider range of industries is needed to create and sustain large numbers of high-productivity jobs.

That Canada is doing well on the job front compared to other countries is small comfort for 1,068,200 Canadians that want a job but will face the holiday season without a paycheck.

According to Statistics Canada's *Labour Force Survey* for November, the ranks of unemployed workers grew by 25,100 – including new losses of 16,400 jobs in the manufacturing sector, pushing total losses to 314,600 since manufacturing employment peaked in November, 2002. These severe losses are likely to continue as long as the Canadian dollar remains near parity with the American dollar.

These were jobs with good salaries. They offered benefits that helped people raise healthy families and plan for a decent retirement. They came with incomes that supported local businesses and paid for social services that raised everyone's quality of life.

At the same time, a disproportionate number of the new jobs being created pay much less, with few if any benefits, and very often are insecure, temporary, part-time or of the self-employed variety.

My Christmas wish list for "What Canadians really need for Christmas" includes:

- A fair tax system, where those who can afford to pay – pay;
- A made in Canada for Canada strategy to stop the hemorrhage of our manufacturing sector providing the much needed full time good paying jobs for our youth and the unemployed;
- A policy to stop the growth and begin the narrowing of the income gap.
- An economic investment strategy to benefit the future of Canadians and their communities;
- Affordable and accessible education for our youth;
- Affordable housing and child care; and continued publicly funded/provided healthcare

All of this can be achieved beginning with a fair tax system coupled with the political will to put people first.

Wouldn't it be nice to get up on Christmas morning and have these under our Christmas tree; instead of more seeing more tax breaks for those who are already making huge profits and can afford to do more to help Canadian families and their communities?