



HOSPITAL EMPLOYEES' UNION

NEWSLETTER

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Budget has a long way to go, says CUPE

OTTAWA – Faced with losing power, the Harper government is showcasing dozens of new measures to address the economic crisis. But today's federal budget still falls short of what is needed to revive the economy, create jobs and protect struggling Canadians.

“The budget smacks of short-term political opportunism instead of long-term solutions,” said CUPE National President Paul Moist. “Many of these measures have a shelf-life of only two years. What happens to people after that? The budget must be substantially amended if the government is really concerned about providing relief to the people who need it most.”

CUPE is calling on Opposition leaders to reject the budget unless amendments are made. The current budget fails to include any serious measures to provide relief for the hundreds of thousands who are expected to become jobless over the next few years. The budget also needs to address essential social needs such as health care, pensions, child care, and a comprehensive anti-poverty plan.

Ignoring the advice of the country's top economists, the government is forging ahead with broad-based personal income tax cuts equal to \$2 billion per year. “This kind of irresponsible investment of public revenues drives home Mr. Harper's incompetence as an economic manager,” said Moist. “It doesn't make sense to give the middle class another tax break, while 60% of Canada's unemployed can't collect employment insurance.”

Hidden, but still included in this budget are the cuts to transfers, controls on program spending, weakening pay equity for federal employees, and the privatization plans announced in Harper's disastrous November economic and fiscal update. This includes limiting growth of transfers under the equalization program and selling off over \$10 billion in federal public assets over the next five years.

While the government has increased training opportunities for laid-off workers, the majority of Canada's unemployed remain shut out of the budget.

“The training and support funding listed in the budget is only one part of the drastic EI reform this country needs,” said Moist. “What kind of unemployment relief overlooks more than half of Canada's unemployed?” The budget does nothing to expand the country's low eligibility rate, even though working Canadians have paid into an EI program that now sits at a \$54 billion dollar surplus.

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Relief for those depending on pensions is almost non-existent in the budget.

“If we don’t expand public pensions and reduce reliance on financial markets for retirement security, the end result is fairly straightforward: thousands of Canadians will face poverty in retirement. The government needs to take action. We need an immediate increase in Old Age Security, and a commitment to increasing benefit levels under CPP/QPP.

“The budget fails at what should be the number one priority: protecting vulnerable Canadians,” said Moist.

For more information, visit the CUPE website at <<http://cupe.ca/budget/2009-federal-budget-analysis>>.

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