

## **Job creation**

### **What They Promised**

The Common Sense Revolution will produce 725,000 new jobs by cutting taxes and removing “barriers” to job creation.


### **What They Delivered**

A push toward a cheap labour market, with few good jobs and fewer protections for workers. “Barriers to job creation” turned out to be worker protection laws.

- Since June 1995, **employment is up by just 483,000 jobs**—far short of the target of 725,000 set out by the government.
- At the same time, **the number of people looking for jobs has grown by 400,000, meaning we’re really only 83,000 jobs ahead.** And 8 in 10 of these new job seekers are not in the labour market because of better job prospects, but simply because of population growth.
- Since June 1995, **employment in Ontario has grown by 9.2%.** During the same period after the 1980s recession, job growth was 12.7%.
- **All the growth in the Ontario economy is due to exports.** It has nothing to do with the tax cut. It has to do with lower interest rates, a low Canadian dollar, and a strong U.S. economy.
- More worrisome, since June 1995, **48% of the new jobs are in “self-employment.”** Public sector jobs have declined by 45,000. Less than half the Harris jobs are well-paid, secure jobs.

### **What We Propose**

Without making inflated claims, the proposals in the Ontario Alternative Budget to rebuild the public sector **will create 75,000 new jobs in Ontario, and another 50,000 new jobs in the rest of Canada.**

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*For a budget summary,*  
*turn this page over.*   
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# What does the Ontario Alternative Budget do?

Our budget does three things:

- One: It discredits the Harris government's claim that its tax cuts and fiscal policies have produced substantial gains for middle-income earners;
- Two: It documents the devastating impact of the Harris government policies on Ontarians; and
- Three: It proposes an alternative budget that would restore public services to their real per-capita 1995-96 level while eliminating the deficit by 2001-2002.

## Problems

Contrary to government claims,

- the reductions in income taxes of \$738 for the average family **will have no positive impact**, because provincial cuts in funding have led to increased user fees and property taxes, and other costs of at least \$766. These new costs **entirely wipe out the tax cut** for three-quarters of Ontario's families.
- if there had never been a Harris government (no public spending cuts; no tax cuts), **the budget would have been balanced in the 1998-99 fiscal year** anyway, through increased revenues. We would be discussing instead how to spend the surplus, not what to do about damaged public services.
- **nearly \$2 billion has been cut from health care** since Harris was elected, when inflation and population growth are taken into account.
- **Harris government policies actually have held back job growth in Ontario.** Ontario's job performance is entirely attributable to the lower Canadian dollar and growth in the U.S. economy.
- on a comparable per-capita basis, **\$570 per child has been removed from the public school system**, totalling \$1.2 billion.

## Solutions

The Ontario Alternative Budget proposes to

- **increase revenues in order to restore public services and balance the budget by 2000-2001.** We can do this by restoring the tax cut that was given to the highest-income 20% of taxpayers, returning tobacco taxes to pre-1994 levels, and eliminating pointless tax breaks for business.

## The Choice

The Ontario Alternative Budget shows that

- **Ontario's deficit and public service crisis is not inevitable** but the result of political choices made by a government that is not interested in the greater public good.
- **it is possible to reverse the damage caused by the Harris government and repair our public services** within a responsible taxation and fiscal framework.

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## Need more information? Contact us:

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