



Press release

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## **Budget Fails to Address Economic Inequalities and Takes Money Away From Retired Federal Employees**

Ottawa, February 11, 2014 – Canadian Association of Professional Employees (CAPE) President Claude Poirier was critical of the federal budget that was unveiled today in the House of Commons, labelling it a disappointment to Canadians who had hoped for a strong signal that the government intended to address the economic inequalities affecting Canadians.

“This budget was the ideal opportunity for the government to show that it could be sensitive to the needs of ordinary Canadians, who want better jobs, a more equitable distribution of wealth in this country and measures to combat economic inequalities, as well as some improvement in the services that the government provides. Unfortunately, that did not happen,” stated the CAPE President.

According to CAPE, here is what the budget should have announced:

**1 – The end of fiscal austerity measures.** More and more, economists the world over, including Nobel Prize winner Paul Krugman, have determined that spending cuts merely push societies deeper into austerity, while increasing inequalities and reducing the services available to those most in need. “Nevertheless, the Conservative budget is continuing down that same road, imposing more sacrifices on the Canadian public in the name of a fiscal ideology that has been proven ineffective,” Mr. Poirier noted.

**2 – Improved direct services to Canadians.** Mr. Poirier observed that the recently announced closure of Veterans Affairs Canada regional offices is an indication that Canadians can expect to see a considerable decline in services as a result of government cutbacks. “I don’t think that access to Service Canada offices and a 1-800 number will provide our veterans with better services than they received from Veterans Affairs regional offices, where employees were trained to deal with their specific needs,” Mr. Poirier said. “Like former Parliamentary Budget Officer Kevin Page, I think the government should openly reveal its overall plan for the future of the federal public service and for the level of services to Canadians, instead of taking a piecemeal approach. This budget does not elucidate the government’s overall vision regarding public expenditures. It merely renews a freeze on operating budgets throughout the government for another two years.”

According to CAPE, however, the Conservative government fails to mention that per capita Canadian government expenditures in relation to GDP, taking into account Canadian population growth, have actually gone down since the start of the 1990s, following a prolonged period of spending increases in the 1970s and 1980s.

“This would have been the right time to shift into a new gear and increase government spending on direct services to Canadians”, says Poirier. “Reductions in services affect disadvantaged people more than others by depriving them of essential services. In 2009, a study by the Canadian Centre for Policy Alternatives estimated the value of public services received by the average Canadian family at \$41,000 annually, or 63% of the family’s overall income.”

**3 – Bargaining in good faith with Public Service unions.** On the threshold of a new round of collective bargaining with the unions representing the majority of federal public service workers, the budget indicates that “the Government looks forward to working with bargaining agents” on sick leave and the introduction of a formal short-term disability plan. According to Mr. Poirier, “CAPE welcomes this apparent shift away from the anti-union rhetoric previously engaged in on a daily basis by the Conservative government’s key spokespersons. In recent months, in fact, our union representatives have been facing intimidation measures from their managers for daring to defend the rights of the members they represent, as per the provisions of their collective agreements.”

“We are concerned, however, about references made in the budget documents concerning the need to align sick leave with practices in the private sector. Recent studies by Statistics Canada and the Office of the Parliamentary Budget Officer have shown that, as far as sick leave and disability benefits are concerned, we are a long way from the kind of systematic abuse described by the Treasury Board President,” explained Mr. Poirier. “We remain prepared to sit at the bargaining table with the government to consider solutions to improve the existing system. But we don’t want to see the responsibility for this aspect of human resources management in our workplaces assigned to a private company.”

In conclusion, Mr. Poirier is critical of the government’s announcement that it will transition to equal cost sharing for retired federal employees who choose to participate in the Public Service Health Care Plan. “Having raised the age of retirement,” he noted, “the government is now moving unilaterally to amend the contract that exists between the government and its retired public servants, lowering their incomes as a result.”

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*CAPE represents approximately 11,500 economists and social science services employees who advise the government on public policy, 900 translators, interpreters and terminologists who provide the bilingual face of the government, and 100 analysts and research assistants at the Library of Parliament.*

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