



## Press Release

For immediate release

**50,000 Job Losses in Ontario, 25,000 in Quebec and 15,000 in Western Canada**

### **Proposed Conservative Government Cutbacks Would Eliminate 61,000 Private Sector Jobs**

**OTTAWA, February 28, 2012...** If the Conservative government goes ahead with its plan to cut \$8 billion in spending out of the next federal budget, 61,000 workers in the private sector will lose their jobs, creating a drag on the Canadian economy.

According to the economic model analyzed by the Canadian Association of Professional Employees (CAPE), all parts of Canada would feel the impact of these cuts in both the public and private sectors: 50,000 jobs would disappear in Ontario, 25,000 in Quebec and close to 15,000 in Western Canada, including nearly 8,000 in the prosperous province of Alberta. New Brunswick's already weakened economy would be especially hard hit by the anticipated loss of almost 4,000 jobs.

More than 9,000 service sector workers across Canada are expected to lose their jobs, as will more than 4,400 food service industry employees, 3,000 people in the wholesaling sector and 2,500 construction workers.

*"This model was developed by Statistics Canada and has been used for years by federal departments, provincial governments and private businesses," said CAPE President Claude Poirier. "It indicates that all sectors of the economy will be affected by these cuts. Sales clerks, workers in the construction industry, cooking and table waiting staff in the food service industry, accountants, architects, taxi drivers and hairdressers will lose their jobs. No fewer than 116,000 Canadians, including 61,000 workers in the private sector, will become unemployed."*

To arrive at these figures, CAPE looked at the cutback levels that have been announced in recent weeks by ministers in the Harper government. According to the model used by CAPE to prepare its analysis, \$8 billion in federal government spending cuts will reduce Canada's gross domestic product (GDP) by more than \$10 billion and lead to the loss of more than 61,000 jobs in the private sector, in addition to about 55,000 job losses in the public sector.

*“The government is announcing major budget cuts as though the federal public sector and the Canadian economy were not part of the same universe,” said CAPE President Claude Poirier. “But any reduction in government expenditures will necessarily have a negative effect on the economy as a whole. Tens of thousands of Canadians will suddenly lose their jobs, and their spending power will be greatly reduced as they swell the ranks of the unemployed, exerting considerable pressure on the economy.”*

*Mr. Poirier added that “the deficit situation the government is trying to address is a direct result of its own budget decisions. The Canadian government has deprived itself of billions of dollars of revenue in recent years through a two-point reduction in the Goods and Services Tax and by lowering Canadian corporate taxes. The government could not have picked a worse time to reduce its tax base in this way, what with Canadian companies being among the least taxed in the G-8,” Poirier concluded.*

The impact of potential budget cuts has been measured in other analyses. A study published in January by the Canadian Centre for Policy Alternatives (CCPA) determined, among other things, that it is the most vulnerable members of our society (Aboriginal people, low-income families and the unemployed) who will be hit hardest by these cutbacks. Recently, the Organisation for Economic Co-operation and Development (OECD) urged western governments to stimulate growth by tackling income disparities through progressive taxation, while giving greater protection to the unemployed. The government of Canada seems to be heading away from that direction.

*CAPE represents approximately 13,000 economists and social science services employees who advise the government on public policy, 1,000 translators, interpreters and terminologists who provide the bilingual face of the government, and 85 analysts and research assistants at the Library of Parliament.*

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