



Economic stimulus must focus on job creation not tax cuts

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In the wake of rising unemployment numbers across the country, the B.C. Federation of Labour is calling on the federal government to focus on economic stimulus measures which will protect and create Canadian jobs, assist unemployed workers and protect pension plans.

-Tax cuts will have a minor impact on job creation," said B.C. Federation of Labour President, Jim Sinclair. -Tax cuts return a relatively small amount of money to workers and in the current economic situation that money will most likely be saved, used to pay down debt or spent on foreign produced goods. None of this has a significant impact on job creation or job protection in Canada."

Studies suggest each billion dollars of tax cuts is likely to create approximately 7,000 jobs while a billion dollars of public spending creates between 12,000 and 18,000 jobs.

The Federation is calling on the federal government to:

• Launch a major public investment program to create good jobs in infrastructure, manufacturing and public services that includes a Made-in-Canada procurement policy;

• Use the \$54 billion Employment Insurance surplus to increase EI benefits and eligibility;

• Create training and adjustment programs for laid-off workers;

• Create a pension guarantee fund for workers pensions;

• Invest directly in hard hit industries such as forest and auto products; and

• Maintain public sector delivery of services rather than public private partnerships that drive up costs and add delays.

-Canada has an infrastructure deficit well over a \$100 billion," Sinclair added. -Now is the time to invest in Canada, repair roads and bridges that have been neglected, build water plants and public transit systems and create a national child care program that families desperately need."

The Globe and Mail newspaper made the same recommendation late last year. Pointing to the failure of President George Bush's \$168 billion dollar tax cut to stimulate the US economy, the editorial concluded: - Spending on infrastructure projects that create (or save) jobs, which keep businesses spending and fight the contagion of fear spreading through all economies, is a sensible approach.

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