

Killing jobs kills jobs

Why Tim Hudak's "plan" won't work

Ontario PC leader says he can create a million jobs in the next eight years. How? Well, to start, he'll fire 100,000 public employees.

Does this seem weird to you? It should. Because there's a problem with Hudak's plan: **It won't work.**

Hudak's plan is based on the fantasy that you can create jobs by taking money out of the economy. You can't. Provincial spending puts more than \$100 billion into Ontario every year. The wages of public employees buy groceries, pay rent, and put shoes on feet. Public sector wages are a key part of consumer spending. And when you cut consumer spending, you cut jobs.

Ontario's economy is not strong these days. Government spending is shrinking. Business investment is weak. And we're spending more on imports than we're earning on exports. This leaves only consumer spending to keep the economy afloat. Problem is, the typical consumer's income hasn't gone up for decades, and household debt is at record levels. So consumer spending is weak, too.

So how will Tim Hudak help? He won't. Instead, he'll put 100,000 consumers on the unemployment lines. And when 100,000 public employees stop spending, another 65,000 private sector employees lose their jobs, too. So that's the starting point for Hudak's plan – a cut of 165,000 jobs.

Hudak's plan to cut jobs is real – it is something that a Premier can actually do. But the benefits of doing so are *not* real. They're *imaginary*.

Hudak thinks cutting corporate income taxes by 30 per cent – at a cost to government of over \$3 billion a year – will make businesses invest. It won't. Governments have been cutting corporate taxes in Ontario for a decade, yet business investment

has gone down, not up. Canada's corporations are now sitting on \$638 billion in cash that they are not investing. Why? Because their customers are all broke. And under Hudak's plan, 165,000 *more* people will be broke, too.

A real plan to create jobs would be to invest in public services and infrastructure. A real plan would create a real industrial strategy – not just take a "hands-off" approach and hope for the best, as in Hudak's plan.

For most of the last 25 years, Ontarians have been promised "jobs, jobs, jobs" through free trade deals, cuts to public services, more privatization, and tax giveaways to corporations and the wealthy. Tim Hudak is a big cheerleader for these policies because they transfer money from people to profits. But they don't help regular people.

Things can only get worse if we go along with Hudak's plan. Because killing jobs kills jobs.

Question for Politicians

- Q What is your job creation strategy for Ontario? Do you believe it is possible to create jobs by laying off 100,000 public employees and taking billions of dollars out of the economy?
- Q Do you believe corporate tax cuts create jobs? If so, what is your evidence? Why do you believe this when, in the last decade, corporate tax rates have fallen and business investment has fallen, too? Also, at a time when Canadian corporations are already sitting on \$638 billion in cash, what makes you think giving them more cash will make them invest?

I'm
voting

OPSEU
SEFPO

opseu.org/vote2014

PROGRESSIVE
OPSSU

Ontario Public Service Employees Union
100 Lesmill Road, Toronto, Ontario M3B 3P8