

# FIVE YEARS OF HARPER

2006-2011

IS CANADA BETTER OFF?

## FIVE YEARS OF HARPER

This month marks five years since Stephen Harper came to power on January 23, 2006. Five years of Conservative government. Five years of misguided priorities. Five years of missed opportunities.

Looking back at those five years shows an ideological and uncaring government that has failed to address the challenges facing Canadian families, and diminished our stature in the world.

Think about those five years and ask yourself:

### *Are you and your family better off now than five years ago?*

- Has your **income** kept pace with increasing costs of living over the past five years?
- If you or a family member gets sick, are you in a better position than you were five years ago to care for yourself or others? Can you count on the **health** system to meet your needs and help you through?
- Does your **kids' future** look brighter now than it did five years ago? How about their chances to find a decent job? Or have a high **standard of living**?
- Are you better prepared for **retirement** after these five years? Do you feel more or less secure that your **pension** and **savings** will be enough to support you through retirement?

  
Liberal

Over the past five years, the evidence shows that on average, Canadians today have higher debts and less savings while cost pressures continue to grow.

With higher user fees and fewer public services, Canadians are expected to pay for more with less. And today, they often do this while shouldering the additional responsibility of caring for aging relatives or supporting young kids.



For many Canadians this financial squeeze means they are less able to save for retirement, and more likely to struggle to ensure that their loved ones get the care they need or can access the learning opportunities they seek.

## Is Canada better off today than five years ago?

It's the job of a federal government to prepare the country for the challenges it will face in the future, to preserve and strengthen our democracy, and to represent Canada to the world.

But after five years of Harper, ask yourself – are we a stronger nation, prepared to compete in the world, or are we falling behind?

Is our **economy** stronger today than it was five years ago – after selling out major industries and taking Canada into a \$56 billion deficit, the largest deficit in our history?

Is our **democracy** stronger today than it was five years ago – after Harper's one-man rule, and decision to shut down Parliament two years in a row to avoid accountability?

Are we on track for a cleaner **environment** – with better air quality and cleaner water – than we were five years ago? Or has precious time been wasted?

How about **Canada's place in the world**? Are we more respected today around the world – after obstruction on climate change and losing a seat on the UN Security Council - than we were five years ago?

## What is Stephen Harper's record after five years?

The Harper Conservatives' record is **a record of neglect**.

For five years, Conservatives have stood by as Canadians' standard of living declined and the future of public services we rely on – like universal health care and the Canada Pension Plan – have been left in doubt.

Full-time jobs have been replaced with lower-quality, part-time alternatives, and parents are now more worried not just about their own jobs – but about the future that's in store for their kids.

In the early days of the recession, thousands of Canadians were losing their jobs. Families were worried about their savings, their mortgages, and their pensions. But instead of listening to Canadians, Stephen Harper lectured them that there were “**great buying opportunities opening up with some of the panic.**” Then he brought in a fiscal update that took billions of dollars *out* of the economy, instead of putting any stimulus *in*.

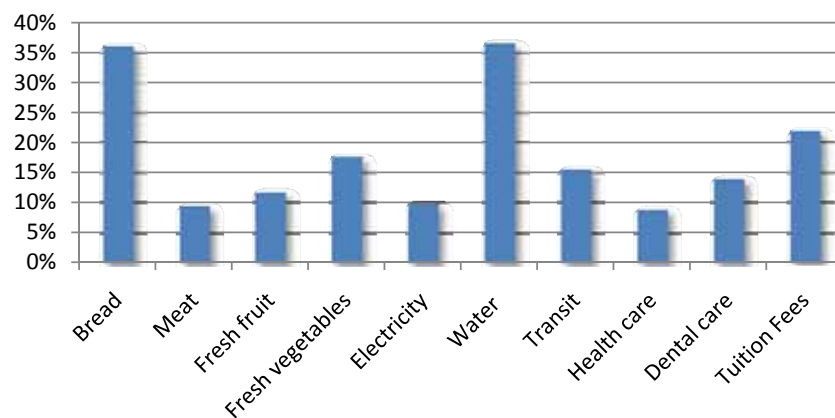
Stephen Harper would have Canadians believe that a minority Parliament is to blame for the Conservatives’ sparse record of accomplishment. But when Lester Pearson led a minority Liberal government for five years in 1963-1968, he ushered in many of the defining initiatives of our country including **universal health care**, the **Canada Pension Plan**, **Canada Student Loans**, and our **national flag**.

Compare this five-year legacy of accomplishment to the record of the current Conservative government:

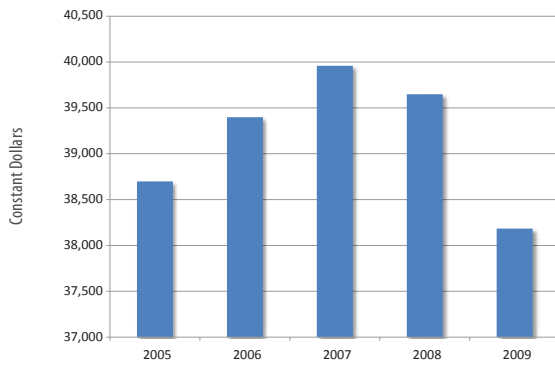
## Over the past five years, costs of living have risen faster than incomes for many Canadian families

- The overall **cost of living has risen 9%** since the Conservatives came to power. Rising costs and lost jobs mean that many Canadian families have had to do with less or borrow money to make ends meet. <sup>i</sup>
- Rising costs affect families every day. Since 2005, while common expenses like fresh vegetables (up 18%), bread (up 37%), dental care (up 14%) and municipal water (up 37%) have increased, **Canadians’ standard of living (GDP per person), has fallen 1.3%** since the Harper government came to power. <sup>ii</sup>

*Percentage increase in the cost of necessities, 2005-2010*



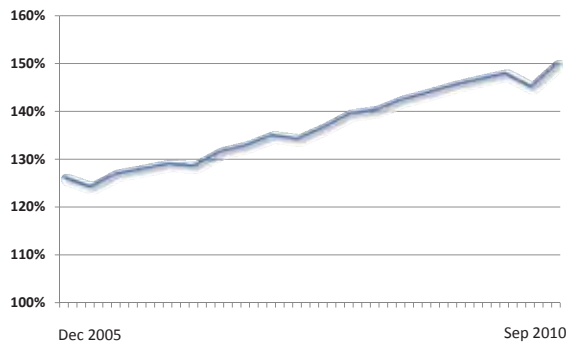
### *GDP per capita adjusted for the cost of living*



## Canadians are more indebted today than they were five years ago.

- **For the first time in twelve years, Canadians are more in debt than Americans.** The average Canadian carries debt equivalent to one-and-a-half times their after-tax income. <sup>iii</sup>
- In the past five years, the debt Canadian families carry relative to their disposable income has risen by 20%. Canadian household consumer debt is now **the worst among the 20 most advanced countries** in the OECD. <sup>iv</sup>
- High debt levels were aggravated by the Conservatives' decision to lower down-payment rules and permit 40-year mortgages, leaving families subject to severe financial stress in the event of job loss, illness, rising interest rates, or unforeseen expenses.
- Since the Conservatives came to power, **personal bankruptcies are up more than 33 per cent to the highest levels** since the Office of the Superintendent of Bankruptcy started releasing records in 1987. <sup>v</sup>

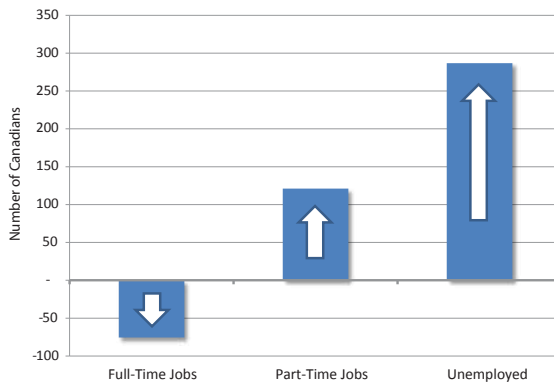
### *The Rise of Debt as a Share of Personal Disposable Income in Canada*



## High-quality, full time jobs have disappeared under Harper's government

- Under the Conservatives, lower-quality part-time jobs have been created at a rate *three times faster* than full-time jobs. Since the start of the recession in 2008, **the economy has lost 76,000 full time jobs**, which have been replaced by 121,000 part-time alternatives. <sup>vi</sup>
- Unemployment in Canada is 25% higher today than it was five years ago. That's **280,000 more unemployed Canadians** today. <sup>vii</sup>
- Following the Conservatives' decision to cancel the Summer Career Placement program in 2006, youth unemployment is almost twice as high as the national unemployment rate and more and more young people are being forced to leave the labour market without a job. <sup>viii</sup>

### Lost Full-Time Jobs since October 2008

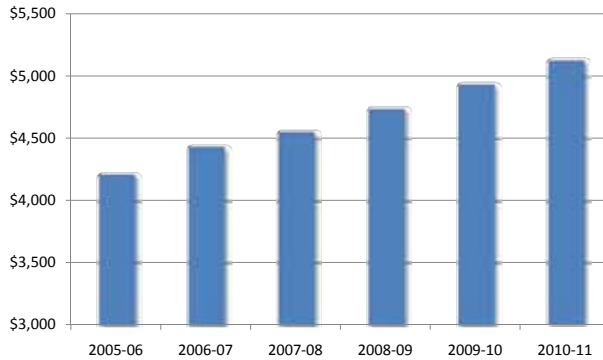


## Under Harper, families are finding it tougher to support their kids' futures

- In a comparison of child care services available to parents in the 25 most developed countries, UNICEF ranked Canada **dead last** in terms of quality and access to childcare spaces. We failed nine out of their ten categories.
- Average undergraduate university tuition has risen by **over 20%** in the past 5 years (to \$5,138 in 2010), with no comparable increase in federal funding or federal student aid. <sup>ix</sup>
- Nearly **three-quarters of parents** now believe they will be unable to afford post-secondary education for their children. <sup>x</sup>
- Student borrowing from the federal government reached the highest level in its history in 2010, breaching the \$15 billion mark. 16 per cent of low-income students now plan to delay additional studies because of the level of debt they have. <sup>xi</sup>



### *Rising Costs of University Tuition*



### **Under Stephen Harper, families have taken on a greater share of health care costs**

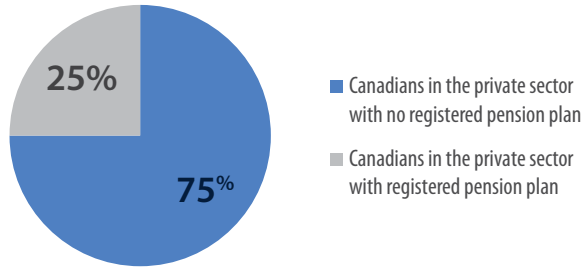
- Between 2005-2009, Canadian families are paying **29.2%** more on a growing list of out-of-pocket health care expenses like prescriptions and private insurance. <sup>xii</sup>
- Today the average Canadian is spending 17% more out-of-pocket on prescription drugs than they did in 2006. <sup>xiii</sup>
- In the absence of federal leadership in health, families are increasingly relying on each other for care. Today, family caregivers are responsible for 80 per cent of Canada's homecare services, providing over **\$9 billion in unpaid care** each year. Over 40 per cent of family caregivers use personal savings to survive, and 65 per cent of these family caregivers have household incomes less than \$45,000 per year. <sup>xiv</sup>



### **After five years of Harper, more families are facing an uncertain retirement**

- According to Statistics Canada, fully **25% more seniors** are struggling to live on low incomes today than when the Conservatives came to power. <sup>xv</sup>
- **75% of Canadians** working in the private sector today are without a pension plan or sufficient personal savings for retirement. <sup>xvi</sup>
- Under Harper, Conservatives have failed to protect the pensions and disability benefits of Canadians whose companies go bankrupt.
- Despite calling pension reform "a priority", after five years, Stephen Harper still does not have an effective plan to reform pensions or strengthen the Canada Pension Plan.

### Canadians in private sector jobs without pension plans or savings



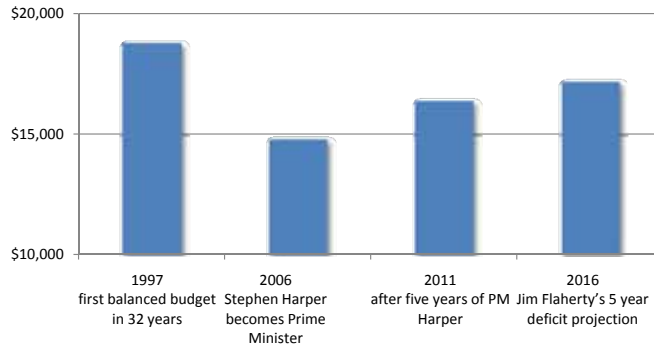
## Under Harper, the federal government is borrowing money to pay for increased spending

- In just five years under Stephen Harper, the Conservatives turned Canada's \$13 billion budgetary surplus into a **\$56 billion deficit** – the largest in Canadian history.<sup>xvii</sup>
- Under Harper, annual government program **spending increased by \$75 billion.**
- Conservatives took the country into deficit *before* the recession began – driving spending up by 18% in their first three budgets.



- In 2010 alone, Conservatives wasted \$1 billion on a G20 photo-op, announced a **\$16 billion untendered deal for stealth fighter jets**, are spending \$6 billion on corporate tax cuts for the largest corporations, and are committed to spending over \$10 billion to build U.S.-style mega prisons while crime is on the decline.
- Canadians may be tightening their belts, but the Conservatives aren't – **spending in the Prime Minister's Office increased by nearly 31%** over the past 3 years and Ministers' Offices increased by an average of 17%.<sup>xviii</sup>
- Canada's combined federal, provincial, territorial and municipal debt is 83.4% of GDP – only marginally better than the United States at 84.4% and worse than Australia, Germany and the United Kingdom.<sup>xix</sup>
- As a result of Conservative spending, Canadians' personal share of the federal debt is on the rise. By 2016 – at the end of the Conservatives' 5-year deficit projections – **each Canadian will have a \$17,200 share of the federal debt.**<sup>xx</sup>

### *Federal Debt per Canadian*



## Over five years of Harper, Canada has fallen behind on the environment

- Canada has finished in the **bottom 5** every year for the past 5 years in the Climate Change Performance Index released annually at UN climate talks.
- Under Harper, Canada has blocked international progress on climate change at the Copenhagen and Cancun summits.
- In the past five years, the Conservative government has approved the destruction of six lakes to make way for mine waste.
- In each year between 2006 and 2010, Conservatives have **stalled critical emissions regulations** from taking effect, lagging far behind the U.S. in emissions targets.
- For five years, Conservatives have had a revolving door of five different Environment ministers – none of whom have yet produced a single plan to target climate change.



## In five years, Canada's reputation has diminished from global leader to global loner

- Under Harper, for the first time in the history of the United Nations, Canada lost its bid to win a seat on the UN Security Council.
- Under five years of Conservative foreign policy, Canada has frozen its foreign aid, removed 8 of the poorest African countries from the list of priority foreign aid recipients, and de-funded some of Canada's most respected international NGOs, women's groups, faith-based groups and other essential partners that carry out our development and humanitarian work overseas.
- Conservatives bungled our relationship with the United Arab Emirates, losing our base of operations for Afghanistan **at a cost of over \$300 million**. Canadians visiting this prominent trading country now face steep \$1,000 entry fees.

## CHOOSE YOUR CANADA – NOT HARPER'S

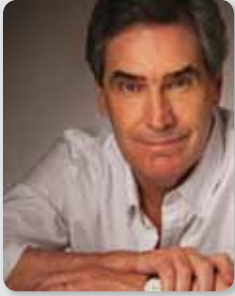
For five years, Harper has shaped Canada with his choices. After five years, Canadians are worse off. Our retirements are less secure, and our kids are less supported in their education and their jobs. We are less democratic as a country, and have a lesser voice in the world.

Stephen Harper once warned that when he was done with Canada, you wouldn't recognize it. And he's right – many Canadians wouldn't recognize the narrow, uncaring and isolated country Stephen Harper wants it to be. Where rich corporations get extra tax breaks, and everyone else has to fend for themselves.

### **But Canadians have a choice.**

Canadians can choose a different future for our country and our families. A brighter, more confident future where the priorities of the government match the real priorities of Canadians – Universal health care. Jobs. Post-secondary education. A strong, secure retirement.

*These are Canadians' priorities. And they are the priorities a Liberal government will fight for and defend.*



Under Michael Ignatieff, a Liberal government will focus on the priorities of Canadian families with measured investments in initiatives designed to help Canadians make ends meet wherever they live and whatever their circumstances.

Families are more than the building blocks of our society, they are the engines of our economy. By raising the standard of living and the purchasing power of families, we will strengthen our economy. Liberals share the priorities of Canadian families – **learning, health care, pensions and jobs** – and will act on these priorities with innovative policies, including:



A **Family Care Plan** to enhance care for our parents, our grandparents and our sick loved ones, and to help reduce the pressure on hundreds of thousands of struggling Canadian families.

A **Pension Reform Plan** to protect the pension savings of Canadians whose companies have gone bankrupt, and to establish a voluntary Supplementary Canada Pension Plan to help more Canadians use our trusted national pension plan to save for their retirement.

A **Pan-Canadian Learning Strategy** spanning early childhood development and care, aboriginal education, workforce literacy, language training for New Canadians, and access to higher education and training to build the best-educated, most highly-skilled workforce in the world.



A **National Food Policy** to promote healthy living, safe food, sustainable farm incomes, environmental farmland stewardship and international leadership.

The **Rural Canada Matters** strategy to boost rural communities with better access to broadband internet, doctors and nurses, emergency services, and postal services.

A **Global Networks Strategy** to restore Canadian leadership in the world through:

- Global Network Agreements with China and India to collaborate in research and education, energy and sustainability, transportation, food security, health, immigration, culture and tourism; and
- A rebalancing of Canada's foreign policy objectives along the 3 D's: development, defence and diplomacy.



An **Environment and Clean Energy Plan** to create jobs by investing in renewable energy production, promoting energy efficiency, and helping companies to develop and manufacture new clean energy products and materials. We will protect our future by preserving our oceans, lakes and coastal communities.

A Liberal government will take a balanced and credible fiscal approach to make these priorities a reality, tackling the Conservatives' deficit and restoring Canada's fiscal health including:

- **Deficit reduction** by committing to a deficit to GDP target of 1% within the first two years of a Liberal government and further decline every year thereafter until the budget is balanced;
- **Fiscal prudence** by restoring a reserve as a buffer to achieve targets;
- **Spending restraint** by finding targeted, sustainable savings in partnership with the public service and proposing new programs in the Liberal platform only if they can be financed without adding to the deficit; and
- **Cancelling Harper's additional corporate tax breaks** and restoring rates to 2010 levels. Canada already has the second lowest corporate tax rates in the G7 and 25% lower than the U.S. Canadian families deserve a break, not the largest corporations.

**After five years of Harper, Canada is in *your* hands.  
The choice is yours.**

- <sup>i</sup> Source: Statistics Canada, Consumer Price Index
- <sup>ii</sup> Source: Statistics Canada, Consumer Price Index and GDP statistics
- <sup>iii</sup> Source: Statistics Canada, OECD
- <sup>iv</sup> Source: Statistics Canada, OECD
- <sup>v</sup> Source: Office of the Superintendent of Bankruptcy
- <sup>vi</sup> Source: Statistics Canada, Labour Force Survey
- <sup>vii</sup> Source: Statistics Canada, Labour Force Survey
- <sup>viii</sup> Source: Statistics Canada, Labour Force Survey
- <sup>ix</sup> Source: Statistics Canada
- <sup>x</sup> Source: Bank of Montreal, September 2010
- <sup>xi</sup> Source: Finnie et al., Measuring the Effectiveness of Student Aid project, 2010
- <sup>xii</sup> Source: OECD
- <sup>xiii</sup> Source: Canadian Institute for Health Information (CIHI): Drug Expenditure in Canada, 1985 to 2009
- <sup>xiv</sup> Source: Canadian Cancer Society
- <sup>xv</sup> Source: Statistics Canada, Survey of Labour and Income Dynamics
- <sup>xvi</sup> Source: Baldwin, 2009, Government of Ontario
- <sup>xvii</sup> Source: Department of Finance
- <sup>xviii</sup> Source: Government of Canada, Public Accounts
- <sup>xix</sup> Source: OECD Economic Outlook
- <sup>xx</sup> Source: Department of Finance



  
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