

## **Social Assistance**

### **What They Promised**

To curb a too-generous system, and to maintain Ontario’s welfare benefits at 10% above the national average.

### **What They Delivered**

Targetting the poor by cutting benefits by a cruel 21.6% has resulted in

- increased evictions;
- more homelessness; and
- less access to affordable housing.

The number of children living in affordable housing increased by 13.4%. There has been an increase in hunger (food bank use increased by 40% immediately after the cut), and soaring child poverty—an 8.3% increase.

Welfare benefits are not really above the national average:

- The cost of living is higher in Ontario than in other provinces. Rent, for example, costs at least 15% more in Ontario.
- And inflation since 1995 has reduced the value of benefits by nearly another 5%.

### **What We Propose**

- Restore the 21.6% cut, primarily by increasing the housing portion of welfare to more realistic levels.
- Replace workfare with a \$100-million Fair Work jobs program, which will create 30,000 new jobs (at average wages) for social assistance recipients.

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*For a budget summary,*  
*turn this page over.*   
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# What does the Ontario Alternative Budget do?

Our budget does three things:

- One: It discredits the Harris government's claim that its tax cuts and fiscal policies have produced substantial gains for middle-income earners;
- Two: It documents the devastating impact of the Harris government policies on Ontarians; and
- Three: It proposes an alternative budget that would restore public services to their real per-capita 1995-96 level while eliminating the deficit by 2001-2002.

## Problems

Contrary to government claims,

- the reductions in income taxes of \$738 for the average family **will have no positive impact**, because provincial cuts in funding have led to increased user fees and property taxes, and other costs of at least \$766. These new costs **entirely wipe out the tax cut** for three-quarters of Ontario's families.
- if there had never been a Harris government (no public spending cuts; no tax cuts), **the budget would have been balanced in the 1998-99 fiscal year** anyway, through increased revenues. We would be discussing instead how to spend the surplus, not what to do about damaged public services.
- **nearly \$2 billion has been cut from health care** since Harris was elected, when inflation and population growth are taken into account.
- **Harris government policies actually have held back job growth in Ontario.** Ontario's job performance is entirely attributable to the lower Canadian dollar and growth in the U.S. economy.
- on a comparable per-capita basis, **\$570 per child has been removed from the public school system**, totalling \$1.2 billion.

## Solutions

The Ontario Alternative Budget proposes to

- **increase revenues in order to restore public services and balance the budget by 2000-2001.** We can do this by restoring the tax cut that was given to the highest-income 20% of taxpayers, returning tobacco taxes to pre-1994 levels, and eliminating pointless tax breaks for business.

## The Choice

The Ontario Alternative Budget shows that

- **Ontario's deficit and public service crisis is not inevitable** but the result of political choices made by a government that is not interested in the greater public good.
- **it is possible to reverse the damage caused by the Harris government and repair our public services** within a responsible taxation and fiscal framework.

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## Need more information? Contact us:

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