

Is it true that Nova Scotia can no longer afford the services and programs we value?

Nova Scotia is actually far richer than it was 35 years ago. Our wealth per person (GDP per capita) has grown by 50%, especially during the relative “boom” from 1991 to 2007. We should feel 50% richer. We should be able to improve, not cut, the programs and services that enhance our health, education and quality of life.

If that’s true, then how come I don’t feel richer?

While the province on the whole got richer, the average real (after inflation) weekly earnings of Nova Scotians DROPPED. That’s right. The average Nova Scotian is 3% POORER. Even unionized workers, on the whole, haven’t done better.

Where DIDN’T all that extra wealth go?

It didn’t go into the pockets of average Nova Scotian workers. In fact, the lower your income was to start with, the more it dropped in that 35 years. And it didn’t go to government. No, the proportion going to Nova Scotia governments has actually declined, as tax revenues (both personal and corporate) shrank.

So where DID the extra wealth go?

To the already-rich. A study shows the share of wealth since 1991 going to those who work for a living dropped by 75% while the share going to owners of capital (employers and investors) rose by 140%! Like others, our economy is now a gigantic siphon transferring wealth to the rich. Profit margins of corporations in Canada are now at a 30-year high as they sit on the largest accumulation of “dead money” (not being used for investment) in the G7.

But doesn’t Nova Scotia have a deficit and debt problem?

Recent Nova Scotia governments have run deficits and the main reason is the recession. And that was caused by the greedy financial sector almost crashing the world economy. To avoid a total meltdown, governments of the day have had to borrow money to stimulate the economy, spending on infrastructure like roads, schools and hospitals and helping those thrown into poverty by the recession. And yet our debt-to-GDP ratio (the most accurate measure of debt) is now 36.7% (down from 47.7% in 2000). That’s about the same as the federal government. In Greece (to which some panic-mongers irresponsibly compare our province) the same debt-to-GDP is 157%! The interest we pay on the debt has also decreased by half since 1995!

If governments try to cut deficits and debt too deeply and quickly, they risk strangling economic growth entirely, which will precisely worsen the situation.

So why are the government and the business community ringing the panic bells over deficit and debt?

It’s all about scapegoating. Rather than point a finger at the real culprits – corporate Nova Scotia, they want to blame you and me. They especially want to blame public service workers and those who, through unions, are fighting back – like nurses, teachers and health technologists.

The Liberal government’s rich cronies at the Royal Bank are slated to receive \$22 million in government largesse. But rather than target these expenses, they want to turn Nova Scotians against one another. We are told to resent other regular Nova Scotians because they have pensions or decent jobs, when we should be going after the big fish. As journalist Tim Bousquet says, the government’s ideology is “If only everyone were paid less, we’d all be rich.”

But, of course, it doesn’t work that way. Every dollar we cut from somebody’s wage package, every penny we wrest from someone’s pension plan, every child care spot we eliminate, every civil service job scrapped, every union contract ransacked, will find its way onto the conveyor belt to the pockets of the rich.

The Liberal provincial government has worked itself into a lather trying to convince us that the province is broke and that drastic cuts are necessary. But this is nonsense meant to continue the enrichment of the rich and impoverishment of the poor.

Is there an alternative to austerity?

There are alternatives. Life doesn't have to be like this. An alternative budget could stimulate the economy by increasing workers' incomes and boosting household spending.

Strengthening the public sector, especially in the provision of public services, would leave us less vulnerable to the huge costs imposed by private companies- especially in our energy bills.

In Solhal we believe that what is needed is more than just an alternative to austerity, but also an alternative to capitalism. Through of a mix of public ownership, workers cooperatives, and non-profit enterprise, we can build a sustainable economy and keep more of our wealth here in Nova Scotia, instead of sending it to corporate shareholders in Toronto and New York.

We need a government willing to break with this script and begin building a real future in Nova Scotia. If you are interested in building alternatives, contact us.

Some frank questions and answers about Nova Scotia's fiscal hysteria



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