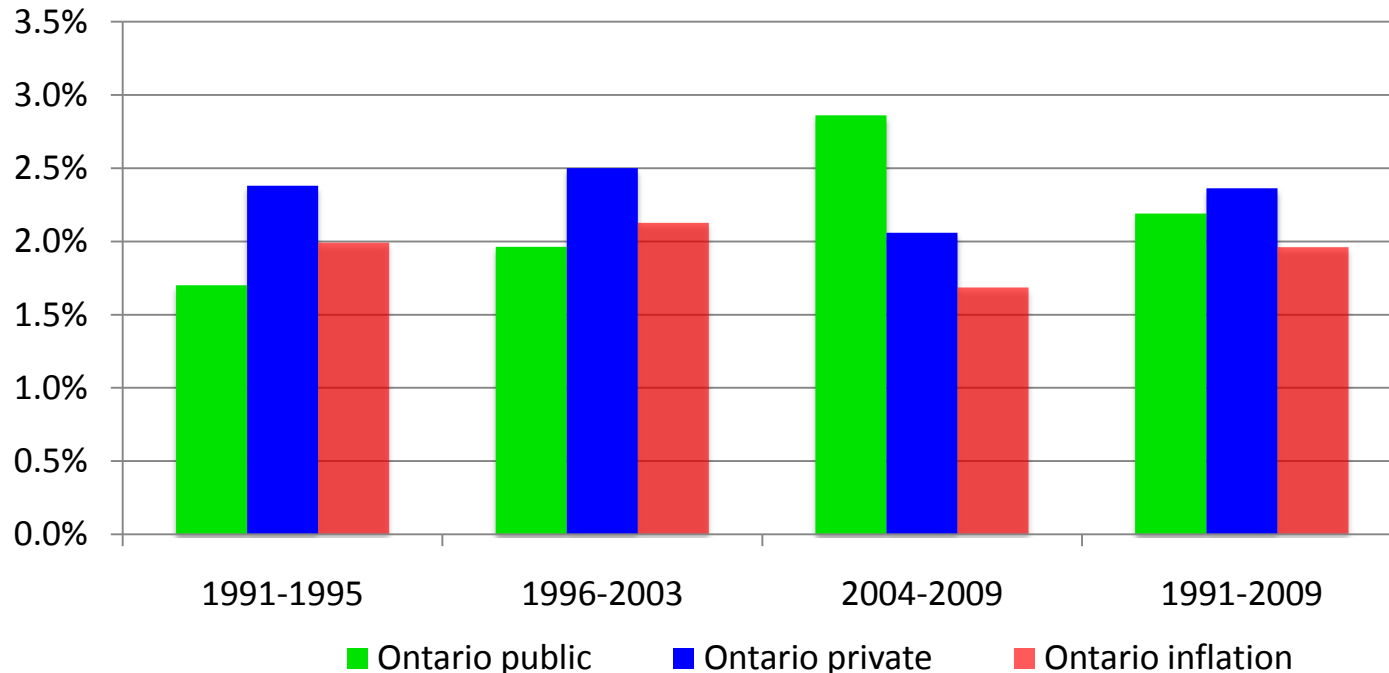


**The CUPE Alternative:
A different view of key Ontario
economic trends**

CUPE

Public sector wage increases lagged private sector since 1990 and only recently increased faster

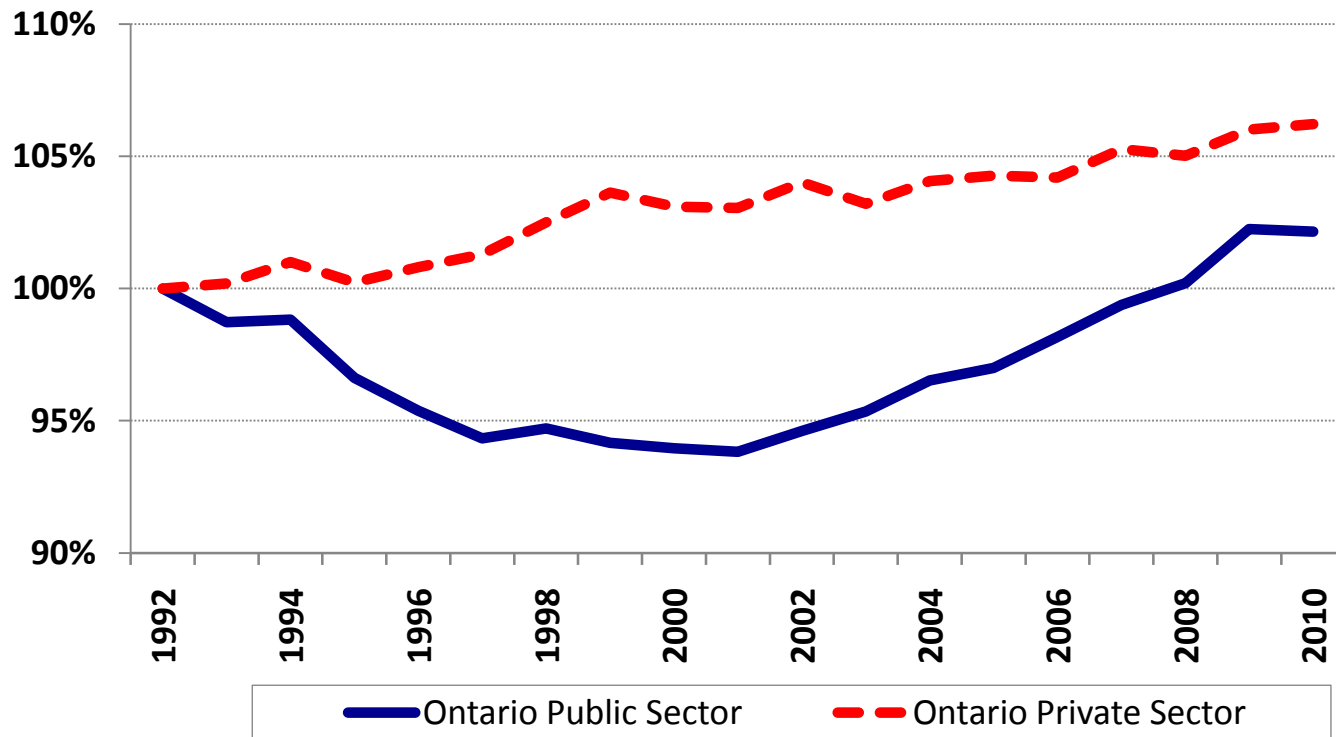
Ontario Public and Private Wage Settlements and Inflation



Source: Ontario Ministry of Labour wage settlements and Statistics Canada for Ontario CPI inflation rates.

Public sector real wages only recently recovered from cuts of 1990s

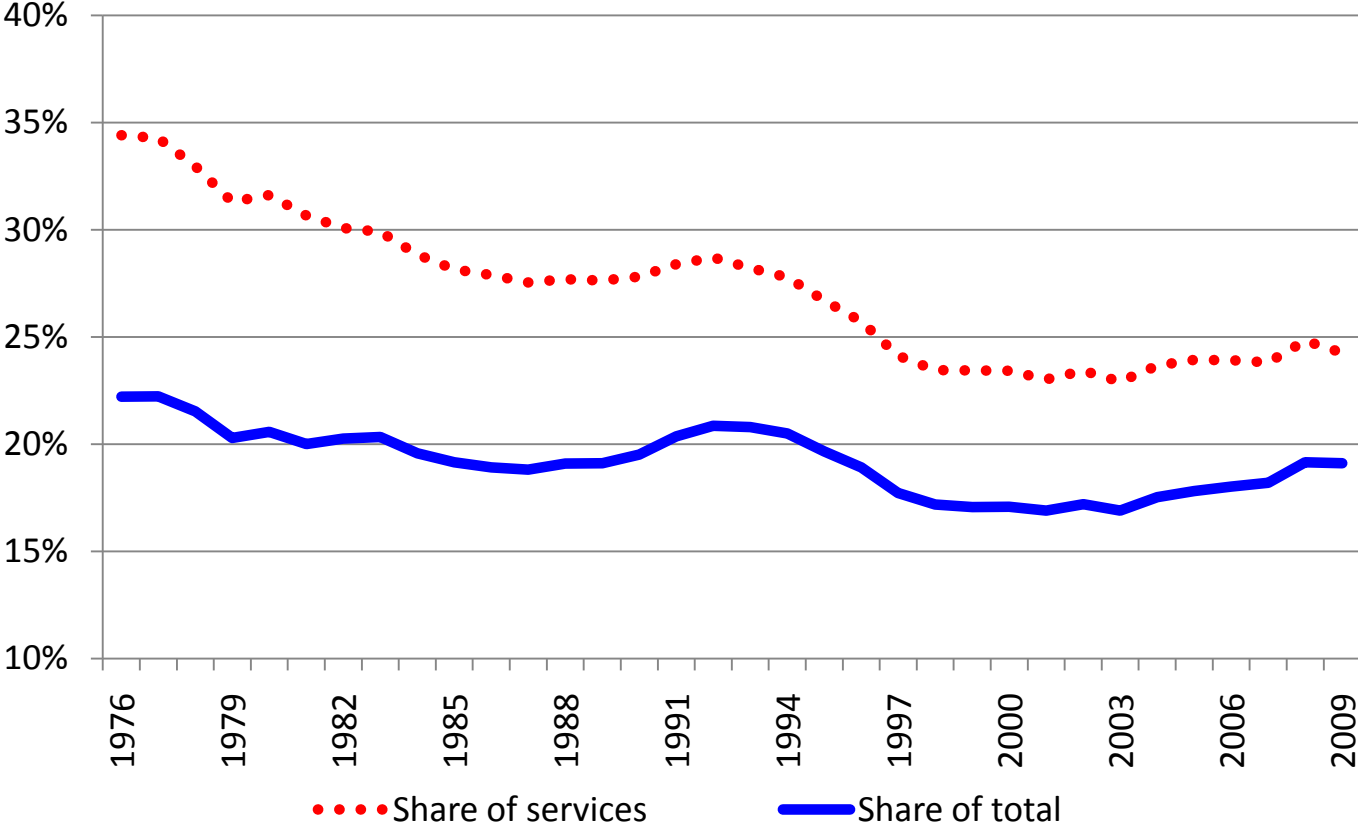
Ontario Public and Private Sector Real Wages
(adjusted for inflation 1992 = 100%)



Real wages calculated using Ontario Ministry of Labour annual base wage increases from collective agreements for Ontario, adjusted for inflation using Ontario CPI.

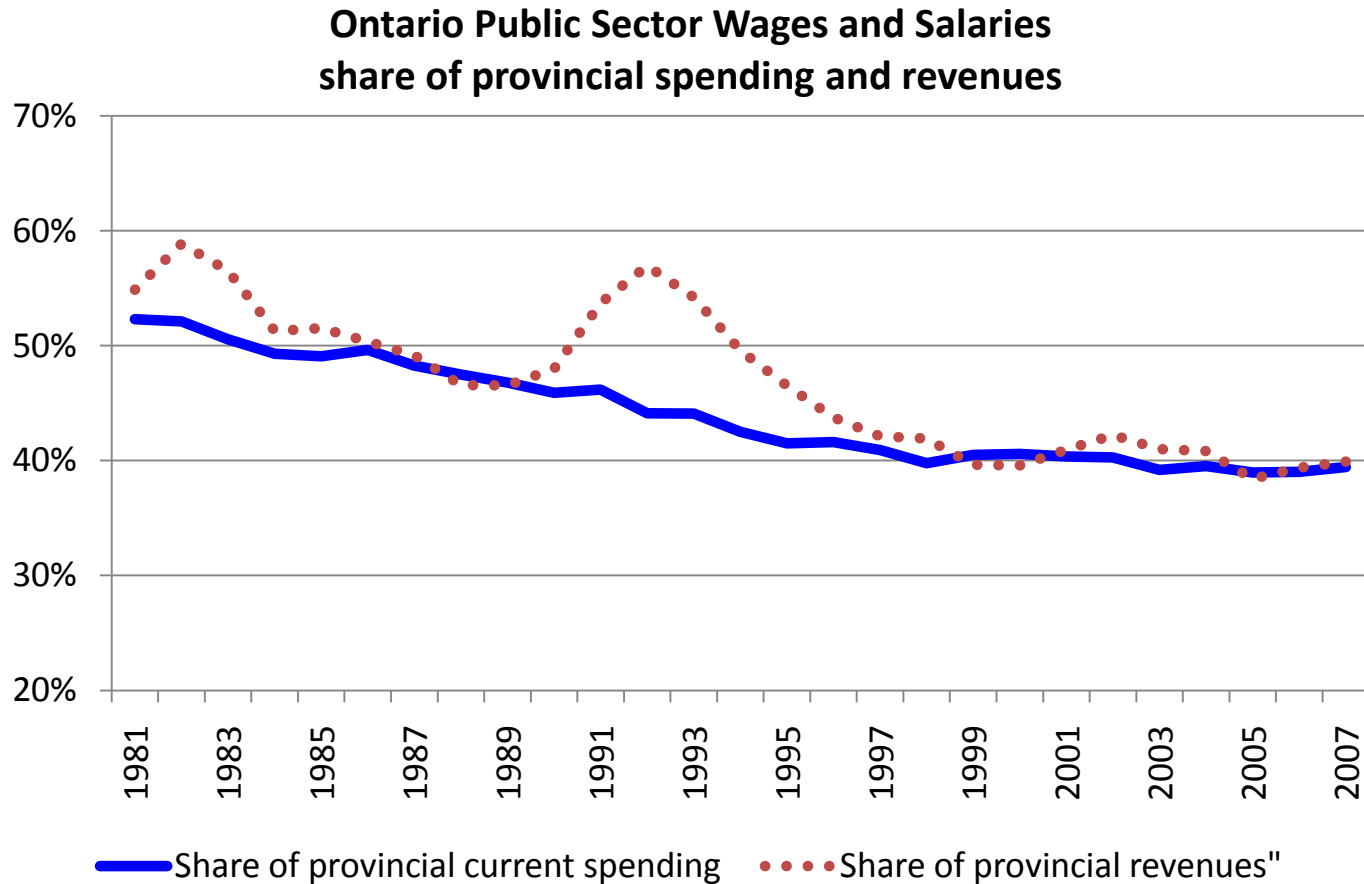
Public sector declining share of total employment in Ontario

Ontario public sector share of total employment



Source: Labour Force Survey Historical Review

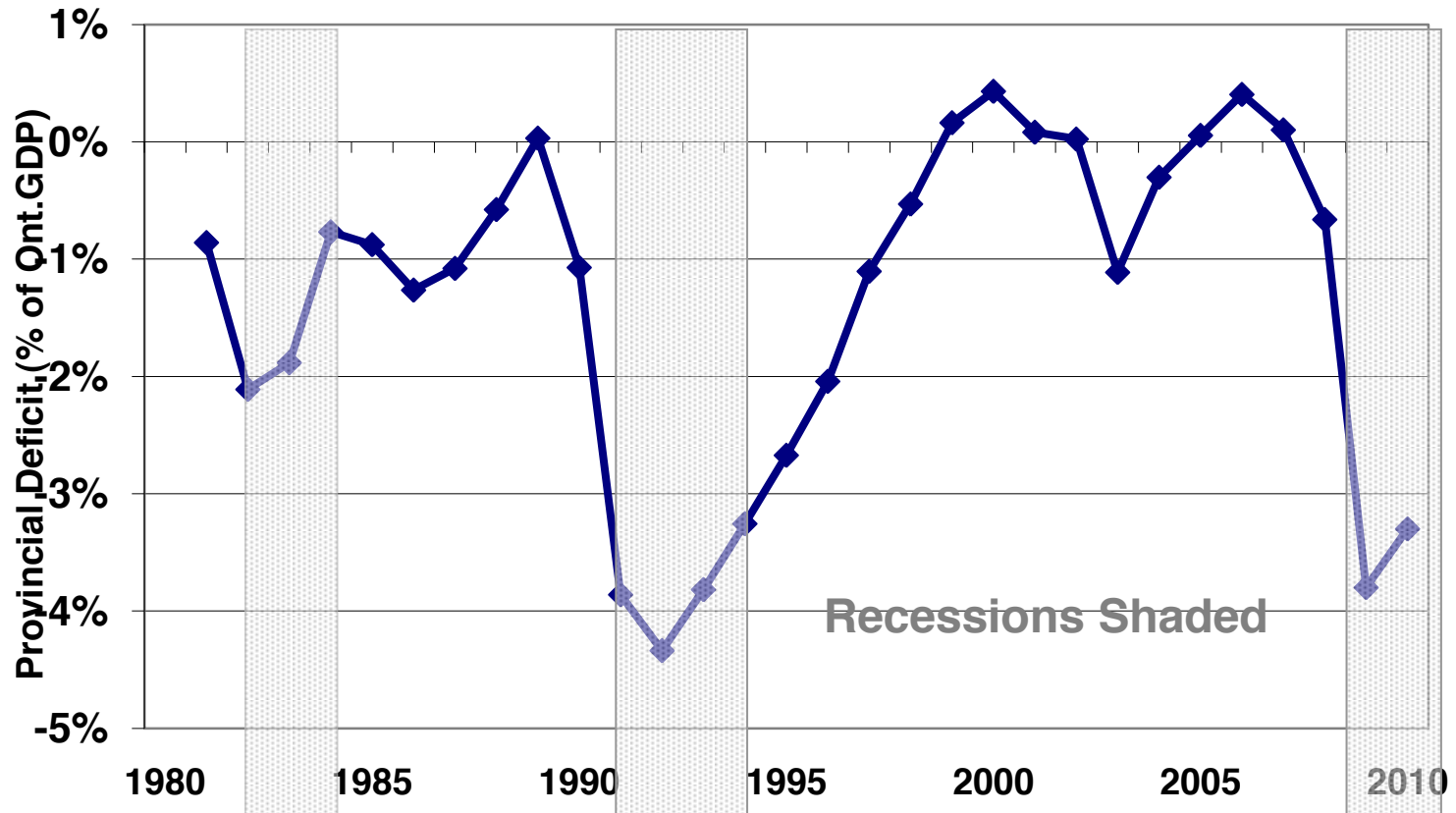
Public sector wages declining share of provincial public spending



Sources: Statistics Canada Survey of Employment, Earnings and Hours and Provincial Economic Accounts

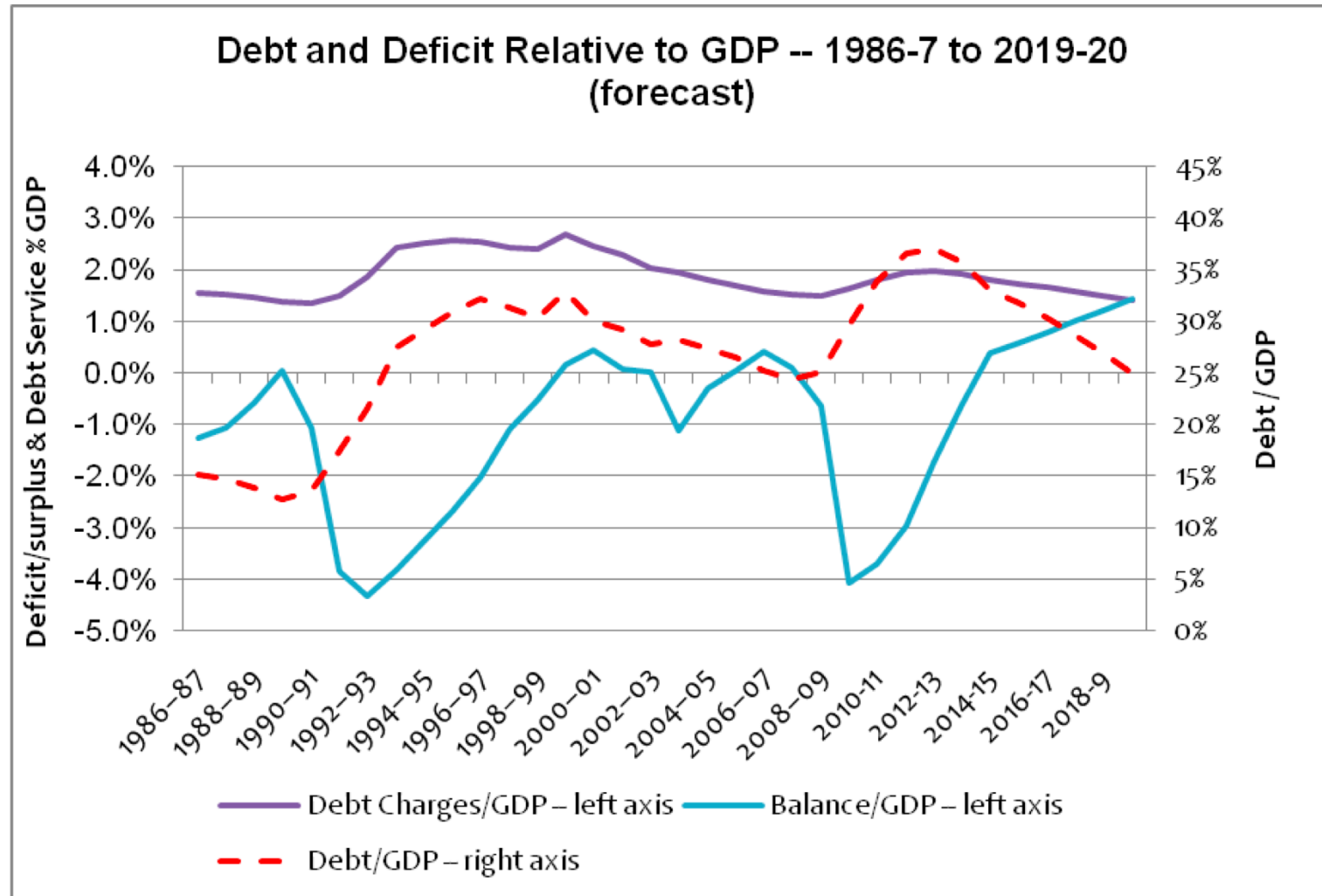
Deficits expected and appropriate outcome of recessions

The Budget Roller-Coaster



Source: Provincial Economic Accounts (to 1985); Finance Canada Reference Tables; CANSIM Table 384-0002; Ontario Budget

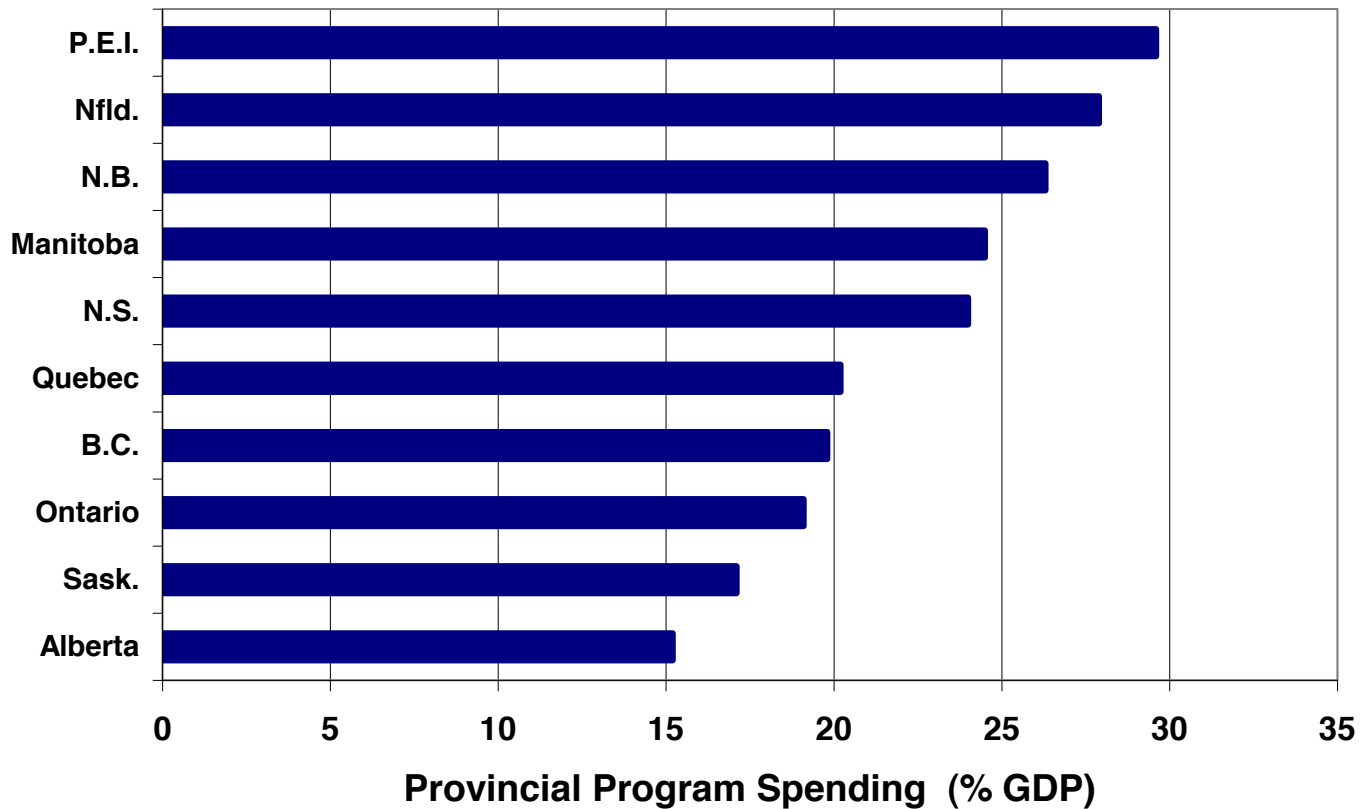
Ontario could soon eliminate deficit without severe actions



Source: Hugh Mackenzie, *Ontario Budget 2010: Deficit mania in perspective*

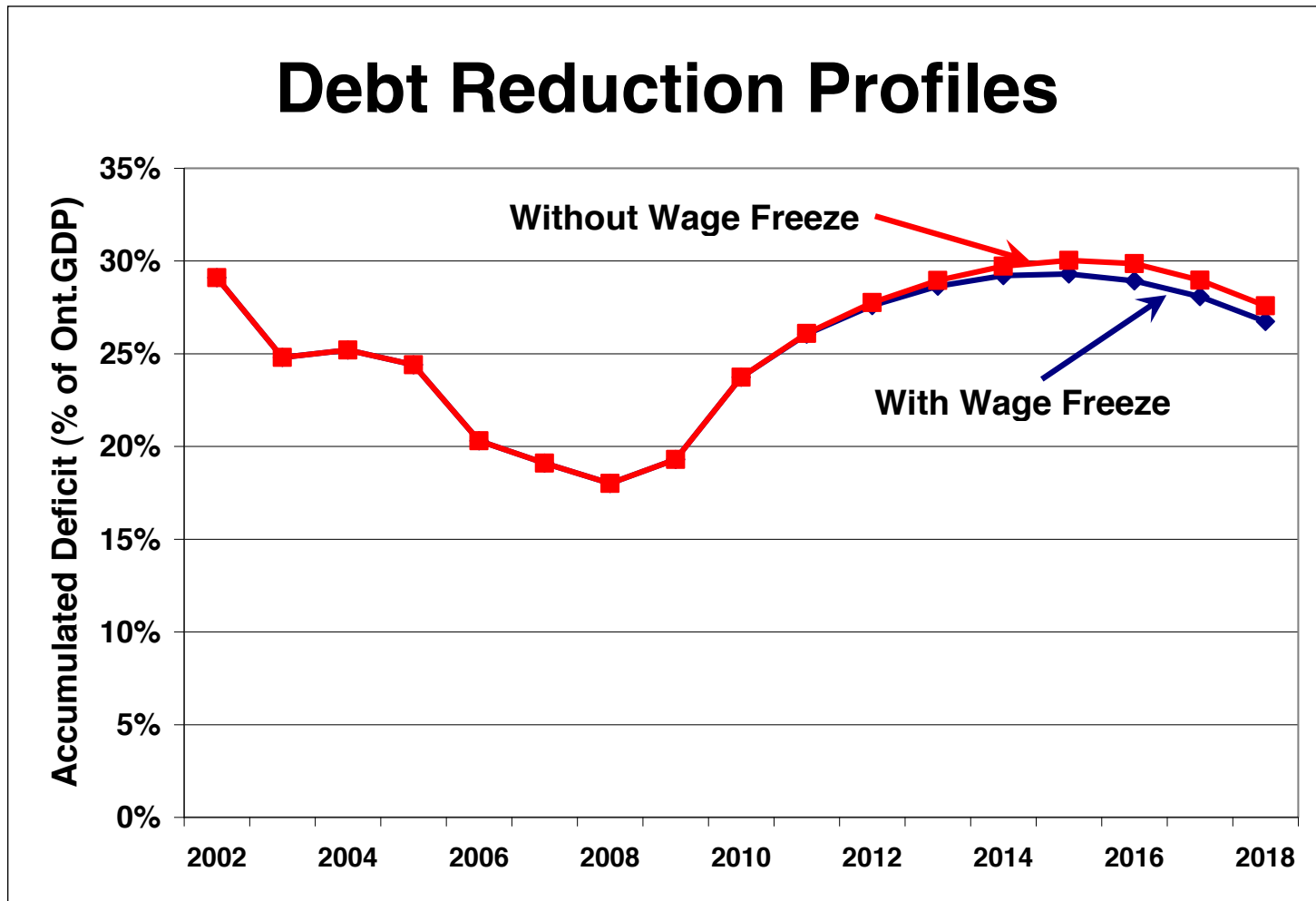
Ontario program spending low compared to other provinces

Not Spending Enough



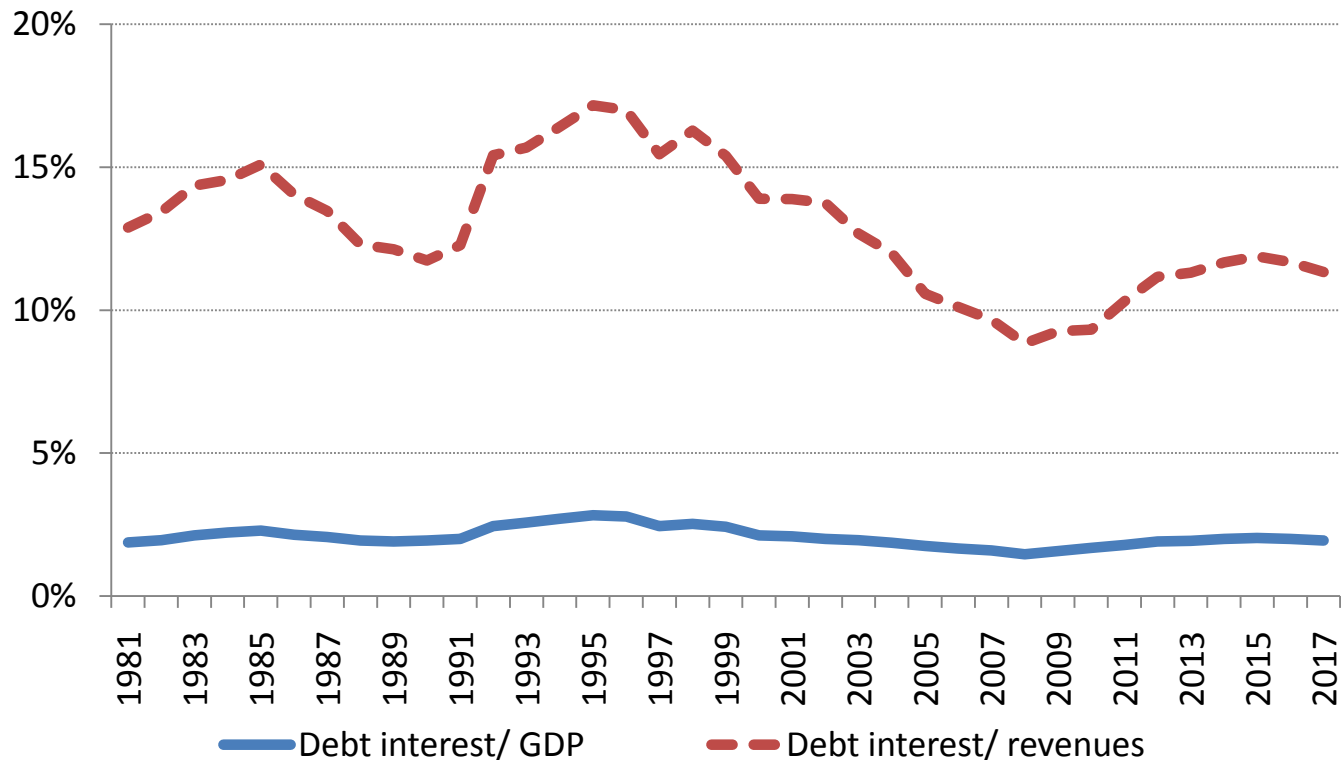
Source: RBC Economics, Provincial Fiscal Tables.

Wage freeze will make very little difference to deficit and debt reduction



The sky is not falling– but Ontario's debt interest burden will soon

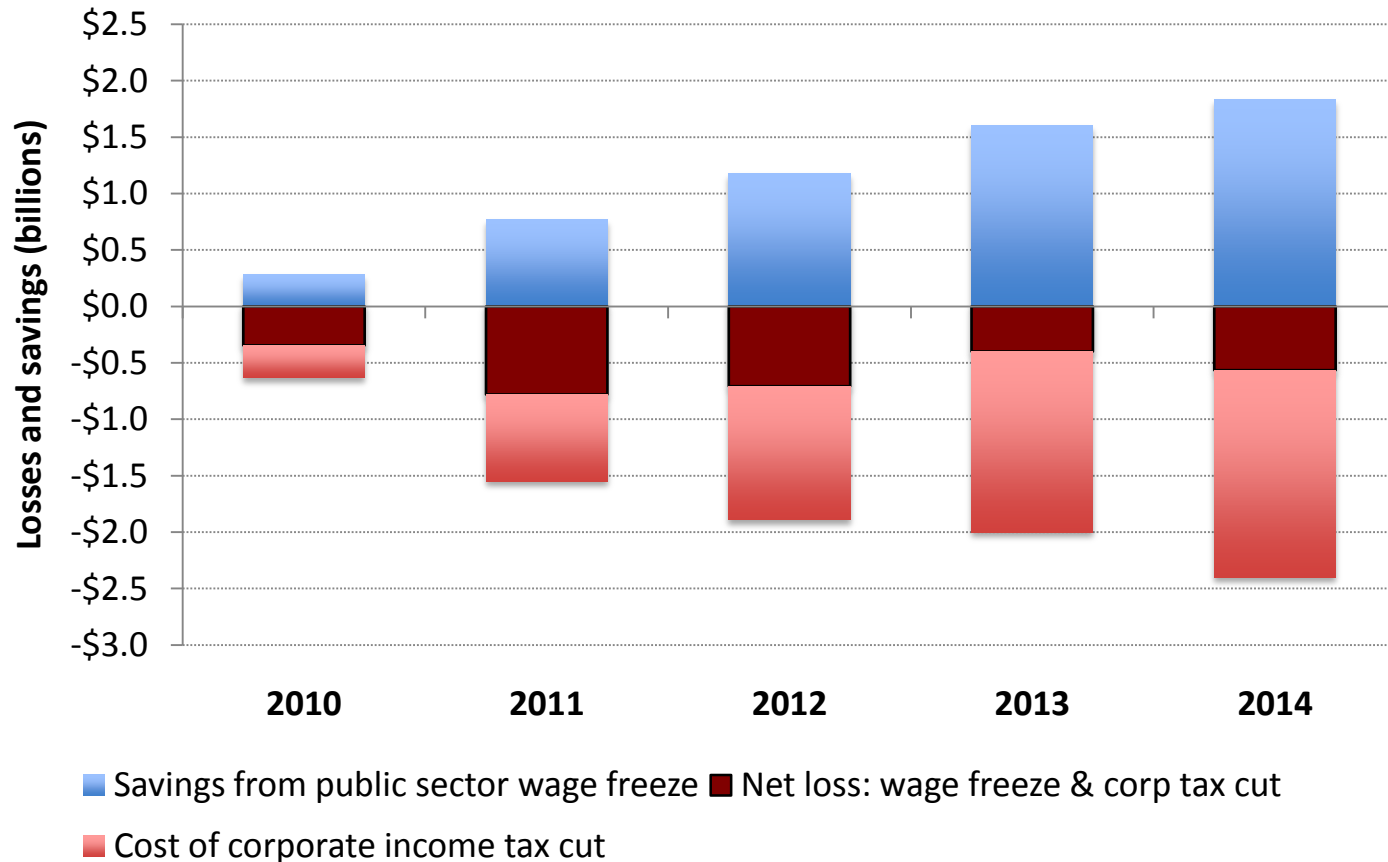
Ontario debt interest payments as a share of provincial revenues and GDP



Sources: Statistics Canada (to 2007), 2010 Ontario Budget (2008 - 2017)

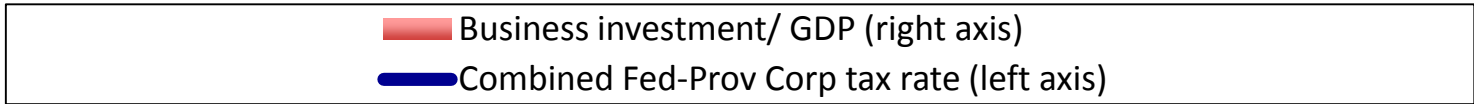
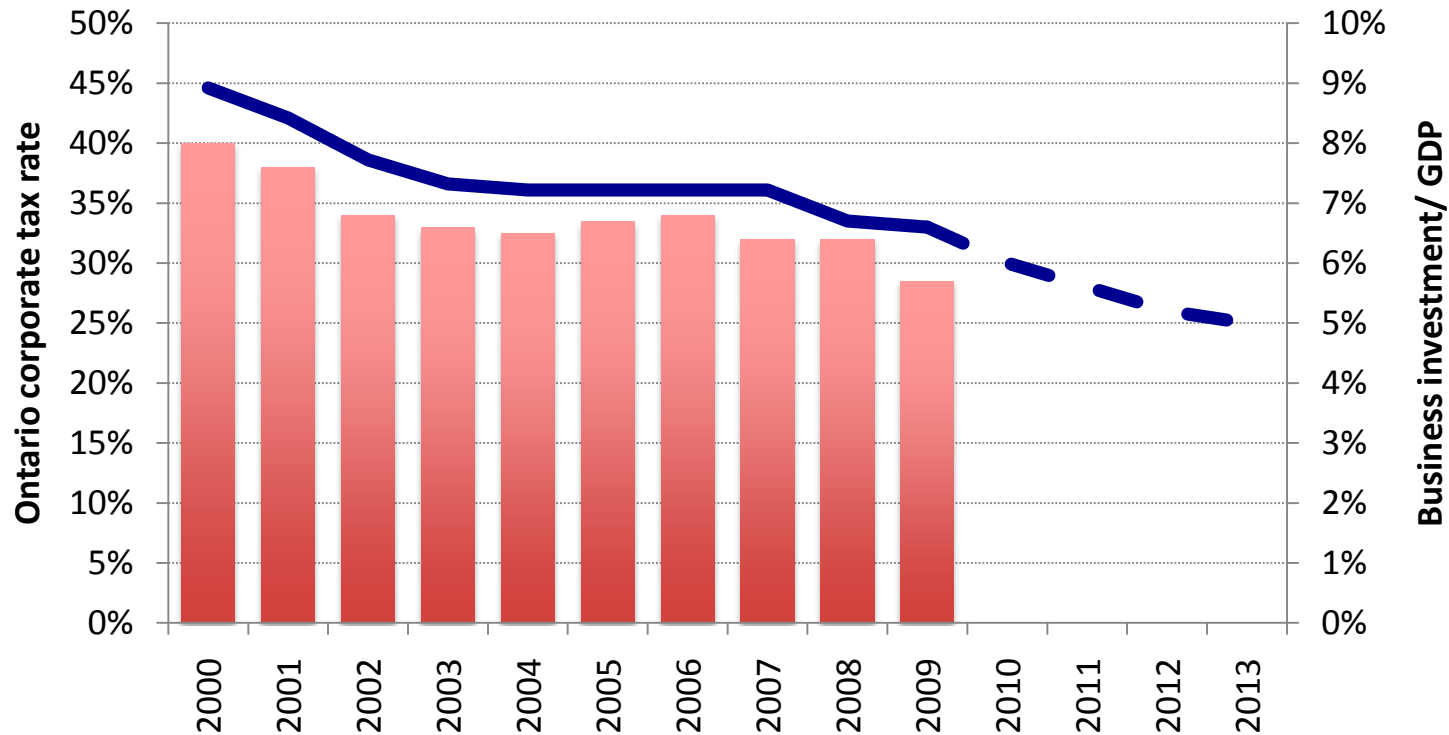
Cost of corporate income tax cuts exceeds savings from wage freeze

Annual costs of corporate tax cuts and savings from proposed wage freeze



Corporate tax cuts not boosting investment

Ontario combined federal-provincial corporate tax rates and business investment in machinery and equipment



Cutting public spending to fund corporate tax cuts will hurt economy

Public Investment Yields Strongest Economic Impact
(per \$1 Million invested or spent)

