

## Flaherty's Fiscal Update Doesn't Bode Well for Public Transit

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While business groups hailed Federal Finance minister Jim Flaherty's fiscal update yesterday it is one that in its very vagueness does not appear promising for the future funding of public transit. The most accurate analysis of the update comes from an editorial in today's Toronto Star:

"...Flaherty spoke vaguely about how the Conservatives were aware of the needs of cities, the environment, post-secondary education and research and development. But again, he promised no specific money and no specific timetable. Behind all the rhetoric, though, lies the real story".

"And that is that the federal surplus for the next few years, beyond the \$3 billion contingency reserve for emergencies, will not be rich enough to finance all the tax cuts that the Tories say they would like to make. For planning purposes, Flaherty anticipates an average surplus of only \$3.1 billion from this fiscal year to 2011-2012, which is far too little money to pay for all the tax cuts that he mentioned yesterday."

"The concern is that if the Harper government is resolute about the across-the-board tax cuts that Flaherty emphasized, then a Tory majority victory in the next election would almost certainly mean an ongoing squeeze on spending and all the vital programs that Ottawa finances."

"Hints to this effect were peppered throughout yesterday's statement. Flaherty bragged about already slashing spending by \$2 billion despite last year's massive \$13.2 billion surplus. He made veiled reference to making even more cuts, as well as talking about "focusing (spending) on areas of federal responsibility." Such talk calls into question the Tories' long-term commitment to shared funding in provincial areas, including post-secondary education and health care."

"Despite the nearly 200 pages that comprised Flaherty's economic statement yesterday, Canadians who want to know where the Conservatives intend to take them have been forced to try to read between the lines. But if they look there, what they will find is an agenda that is both troubling in its vagueness and in its thinly disguised overall direction."

It is especially troubling for public transit as the Finance minister has made no commitment to major projects such as the subway extension to York University in Toronto despite the fact that both the province and the city have. As well, the Minister only referred to the need to fund "infrastructure", as he also did at the CUTA conference earlier this month, with no specific reference to public transit. And, given that future funding for public transit is contingent on a minimum surplus isn't it detrimental to transit funding to talk about reducing the surplus each year?

Please click the following links for more details on the fiscal update:

[CLC President Ken Georgetti's Response to the Federal Fiscal Update](#)

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