

**Common Front for Social Justice  
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**New release**

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**Moncton – Working poor is an issue but don't ask us to do anything about it, go see the provincial government.**

This is the core message coming out of the latest report - *Reframing the Debate* -, from the Canadian Federation of Independent Business (CFIB).

“It is unbelievable that part of the business community is asking, in essence, taxpayers to pay them for employing workers. CFIB is proposing income tax relief as a solution to low wages and they are even saying they will hold government accountable for the harmful effects of its minimum wage policies” says Jean-Claude Basque, Provincial Coordinator.

Let us take a look at the savings coming from the N.B. Provincial Income Tax Plan instituted by the former government. In 2009 compared to 2008, a one-earner family making \$15,000, is saving exactly \$0.00. If that person earns \$25,000, the saving is only \$173. Source: *The Plan for Lower Taxes in NB, 2009- 2012*, table 4, page 9.

“Most of the above people would be minimum wage workers. So, the idea of using the income tax as a way to increase workers’ income does not work.” says M. Basque.

On the other hand, the loss of provincial revenues from individual and business income tax and tax cuts between 2009 up to 2013 is \$1.1 billion dollars (2009-2010 = \$143.5 million; 2010-2011= \$257.9 million; 2011-2012=\$325.3 million; 2012-2013 = \$380.2 million) (Source: *The plan for Lower Taxes in NB , 2009- 2012*, table 1, page 6).

“CFIB members have been lobbying for lower taxes. It is difficult to understand their reasoning. If they want to pay lower taxes, they can't turn around and ask the provincial government to reduce income tax for minimum wage workers. Who will end up paying then?” asks Mr. Basque.

One of their key arguments is that increases in minimum wage will result in job loss in Canada. They even state: “*These job losses may not infer direct job cuts, but can be viewed as slower employment growth as a result of hiring freeze and fewer job created (Reframing the Debate, p. 7).*”

“I don't think they can really justify the fact that from 1,900 to 7,000 New Brunswick jobs would be lost if there were a 10% increase in minimum wage. N.B. increased its minimum wage from \$7.00 in 2007 to \$7.75 in 2008 and then, to \$8.25 in 2009. Last year we went up to \$9.00 and it will be at \$10.00 this year. Our province has seen annual increases ranging from 11% to 13% during the last four years. I don't think we annually lost 7,000 jobs in the small business sector during that period. When we compare New Brunswick's minimum wage to the average minimum wage within the Atlantic Provinces between 2000 and 2010, we observe that, for the year 2000 and 2001, our average minimum wage was higher than that of the average in the other Atlantic Provinces. But, starting in 2003 and onward, we were always below. Last year, we were \$0.41 an hour below the Atlantic average. The business community is certainly not helping to reduce poverty by keeping wages so low.” continues Mr. Basque.

CFIB is proposing what they call an “Alternative Methods for Boosting the Wages of Low-Income Earners”:

- *More Targeted Tax Relief for Minimum Wage Workers*: they favour this one;
- *A National Minimum Wage*: they say that they are against it since one has to take into account the differences in local labour markets and living costs;
- *A Living Wage*: they are also against this because it would increase the cost of labour for local government and prevent business from bidding on government contracts;
- *Government training credits for the workplace*: they are in favour of this initiative.

“It is very interesting that most of their alternative proposals are focused on the notion that government should to help the workers that they employ. They propose no initiatives which entail any input of money coming from their pocket. This is really a one-way street.” concludes Mr. Basque.

For information

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