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MIDDLE CLASS INCOMES FURTHER BEHIND SINCE TRADE DEAL: NDP

OTTAWA – On the eve of the 20th anniversary of the negotiations of the Canada-U.S. Free Trade Agreement, NDP International Trade Critic Peter Julian (Burnaby-New Westminster) presented his analysis of the new figures from Statistics Canada that show a drastic increase in income inequality for most Canadian families since 1989. The statistics show that Canada's top earners are making more while most ordinary Canadians are seeing a decrease in actual earnings.

"Canadian families have seen a regular erosion of their income. This is further evidence that the Conservatives' misguided economic policies will only accelerate the widening of the income gap that was created by past Liberal governments," said Julian. "Even when taxes and government transfers are taken into account, most Canadian families are poorer than in 1989."

The top income category is earning on average \$20,000 more than they did in 1989 after accounting for inflation. Most other Canadians have lost income. In fact, Canadian households earning below \$60,400 have seen a decrease in their average earnings, before tax and federal transfers to families.

Overall households representing 60% of incomes experienced a decrease in their income share in 2005 as compared to 1989. Statistics reveal that income share after transfers for the richest 20% of Canadians has been continuously increasing to the point where they take nearly 50% of all income.

"Canadian families are worse off today than they were before Free Trade agreements were implemented in 1989," said Julian. "Today, more and more Canadians have to work harder without being able to keep up. We have seen 250,000 good manufacturing jobs lost and increasing hardships in our softwood lumber community."

Julian said Canadians need a government that has the vision and courage to implement an agenda for shared and sustainable prosperity, which would include a higher minimum wage, affordable housing, a national pharmacare drug plan, a publicly-funded child care system and accessible post secondary education.

Statistics Canada reports a 48% overall increase in the number of Canadians working overtime since 1991. The amount of overtime hours being worked by Canadians has increased by 22% since 1991. This comes at a time when Canadian households also increasingly have to cope with steep debt: the household debt to disposable income ratio reached 126.77% in 2006, an increase of 37% over the same period.

"Canadians are working longer and harder and are barely able to catch up to their debts and mortgages," said Julian. "Only the NDP is standing up for today's families."

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