

Martha Hall Findlay, March 2012

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For Seniors, this Budget Falls Short on Austerity AND Prosperity

First, the Harper government lied. Before we get to the actual economics, there is a fundamental issue of integrity and keeping promises. Harper, once again, has failed on this score. Whether I agreed with him at the time or not, Harper promised that he wouldn't touch pensions or the OAS, but he did. Having made that point, now to the substance. People keep equating OAS with retirement. It's NOT the same thing. OAS is NOT tied to actual retirement and, even at full payment of little over \$500 per month, it's not a lot of money to live on. So, a great number of people will be making a decision to retire or not, outside of the OAS timing.

But all the talk seems to miss a larger point -- instead of talking about arbitrary ages, Canada should be making sure that people who need it don't do without -- and not give away taxpayer money to those who don't. Some people retire well before 65. Some keep working well past that age, for various reasons. Some people who are 65 need it, some who are 67 don't -- some need help earlier, some, regardless of their age, never do. Far better would be a much more comprehensive review of overall responsibility and coverage for true retirement -- and making sure that those who really need it are kept out of poverty.

To save taxpayer money, it would be far better, instead of simply hiking what is already an arbitrary age limit, to reduce or eliminate payments to those who don't need them, regardless of their age -- and free some up to better help those who really need it. People with a net income of \$70,000 still get full OAS -- only at \$115,000 is OAS fully clawed back. That should change. For sure, people need to be more responsible for themselves so as to be less dependent on government handouts, but we already have far too many seniors living in poverty -- we mustn't make it worse.

The 2012 budget deals with more than OAS, and more commentary is coming -- but it's hard not to add this: Ultimately, a budget is fundamentally about priorities. Why is Harper still pursuing the F-35s at a ridiculous, and mounting cost? (Note to Peter McKay: No one will criticize you if you finally stop defending the purchase and come to your senses.)

Why scrimp and save with one hand, only to spend billions on more prisons (or force the provinces to do so)? Even a purely economic analysis says this is nuts -- even the right-wing Republicans in the U.S. are now acknowledging that crime prevention costs far, far less than punishment. Or the hypocrisy of making a big to-do about cutting House of Commons budgets, only to insist on bringing in 30 new MPs, at significant expense, that we don't need? Or the millions of dollars, paid by taxpayers, spent to persuade those very same taxpayers how wonderful Harper and his ruling party are through government advertising? This budget falls short on either any real austerity, or prosperity.

