

What Students Should Do and What'll Happen if They Don't

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The Montréal protests have gained a national audience and this achievement should be augmented into triggering a nationwide dialogue on and understanding of the last quarter century of insidious and surreptitious prosperity theft.

Canada's assembly of student organizations is unique in the country. Unlike all other categories of associations and groups they're in every province, have a cross-nation organizational structure, enjoy a homogenous set of values and aspirations and can mobilize in ways that'll gain the attention of thirty million citizens.

Plus students share a common future. The question is no longer "Will they have it as good as or better than their parents?", but rather "How bad will it get if nothing substantial is done to address and correct current systemic dysfunctionalities?".

The facts and predictions compiled herein make this a relevant, pressing question. Declining to advance what is now available when so much is at stake and can be accomplished thanks to the FEUQ, FECQ and CLASSE will lead to a massive diminishment of their opportunities when in the work force and standard of living; and same goes for their children and grandchildren.

There are undeniable and inescapable circumstances that'll become more acute in the years and decades ahead. The massive demographic shift happening right now will put a strain on the economy and resources like nothing else in history. Here are a few excerpts from the [July 17, 2006 article](#) *In Depth: Canada 2020 - The Baby Boomers' Tab*:

Baby boomers born between 1945 and 1960 are going to retire en masse but they will leave few children and grandchildren behind. Canada is thus going to undergo a major demographic transition. The result would be a marked deterioration of public finances.

[...]

Financially, governments have three options: go back into debt (the Japanese approach), cut or privatize public services (the U.S. approach) or raise taxes (the Swedish approach). Each government will choose the combination that best matches its political philosophy. But in Ottawa just as in the provinces, we cannot exclude the possibility of a new cycle of debt. A funding crisis could lead, more quickly than one might think, to a major transformation of our cherished health-care system.

The problem of health-care funding, which is already a hot issue today, will become absolutely dramatic as the baby boomers get older. Federal payments to seniors are going to see unprecedented growth. While provinces may realize some savings in education, these will only partially compensate for the drop in tax revenue and the explosion in health-care spending.

Then there's the issue of Canada's deteriorating public infrastructure - that which makes the economy function at peak efficiency. In the [August 21, 2008 article](#) *Canada's crumbling infrastructure reaching critical: report* the author states:

Canada needs an estimated \$200-billion investment in public infrastructure and getting it will help keep the country's private sector competitive, according to a new study [by Institute for Research on Public Policy, University of Waterloo economist James Brox] that warns the state of Canada's infrastructure is reaching a critical stage.

He found that spending on the country's roads, highways, utilities, water systems and other key infrastructure is a little more than half of what it was in the 1960s and the facilities built back then are now starting to crumble and services are deteriorating.

To remedy what's referred to as the "infrastructure gap," by some and the "infrastructure deficit" by others, Brox says up to \$200 billion must be injected into infrastructure projects — \$72 billion for new ones and \$123 billion to repair and maintain existing infrastructure.

According to his research, recent funding commitments from federal and provincial governments only total around \$65 billion.

"If they don't increase that there's a risk that the current infrastructure will deteriorate and will mean that in the future we'll need to invest even more," Brox said in an interview.

One of the main reasons behind the infrastructure gap has been the shift in responsibility for infrastructure from the federal government to the provincial and territorial governments, who have in turn passed it on to the municipalities.

This downloading of responsibility and cost - in other words passing the buck - was the topic of conversation at the recent British Columbia Mayor's Caucus. In the [May 14, 2012 article](#) *Mayors' Plea for More Resources Leads in Only One Direction*, this:

B.C.'s mayors ... argued that they don't have the resources they need to deal with all of the problems they are expected to solve, the services they have to deliver and the infrastructure that has to be built.

[T]hey put up 65 per cent of the money for building and maintaining infrastructure. They provide fire and police protection, deliver water, treat sewage, collect garbage, provide recreational facilities, housing and social services. They argue that they do all of this with just eight cents out of every dollar we pay to all levels of government.

Productivity is the essential issue for a healthy and wealth generating economy. The [2007 Global Competitiveness Report](#) of the World Economic Forum indicates that Canada's growth was at its lowest at that time in the last five years. One of the factors for this decline is stated as follows:

Insufficient Investment in Higher Education

- (i) Full-time faculty growth in Canadian universities slipped to 7% between 1987 and 2003, while full-time student growth rose by nearly 50%.
- (ii) Federal cash transfers to the provinces for post-secondary education fell from 0.56% of total GDP in 1983-84 to 0.19% in 2004-05.
- (iii) The share of provincial expenditures dedicated to post-secondary education fell from 1.54% of provincial GDP to 1.05% between 1992-93 and 2004-05.

What are the statistics? The [spring 2010 report](#) from the Bank of Montreal states "Productivity growth is the most important long-term determinant of living standards" and "In recent years, the yawning gap between productivity growth in the U.S. and Canada has hit near record levels".

In the [May 29, 2012 article](#) *Canada's Productivity Gap is Worse Than Ever* the author states "output per hour worked in the business sector averaged just 0.7% annual growth over the past 10 years, opening up a competitive shortfall of 30% against the United States".

"It's frustrating," said Eric Lascelles, chief economist at RBC Global Asset Management. "Canada should be massively more productive than it was before and yet we still seem to be falling behind."

[...]

[D]emographic pressures strain Canadian labour forecasts more so than in the U.S. An aging population translates to fewer workers as a share of the total population, which will constrain fiscal flexibility and the capacity to grow.

“It’s right at our doorstep and it’s hard to see how, other than through high productivity, we’re going to deal with that,” said Philip Cross, a senior fellow at the C.D. Howe Institute and former chief economic analyst at Statistics Canada.

[...]

Had Canada matched the productivity record of the United States over the past 25 years, personal disposable incomes would be \$7,500 [a year] higher, a recent Conference Board study found. Corporate profits and government revenue would have been 40% and 31% higher, respectively.

“In the long run, our well-being is dependent on productivity growth,” Mr. Lascelles said.

The BMO report goes on to say that “there are three main drivers of national productivity growth - investment in machinery and equipment, human capital development, and openness to trade and investment”. With this country’s economy being principally driven by natural resource extraction and export, the triangle of power and wealth has become lazy. They much prefer to continue this century long tradition than invest in that which will produce and sustain the jobs of the 21st century.

A great example is the proposed Gateway pipeline from the oil sands to the west coast. They’d rather build it and ship what’s dug out of the ground to China than build refineries here which will create jobs and generate wealth.

So comfortable in their lavish lifestyles, the country’s wealthiest have lost the ability to lead. Plus, they don’t care about the middle class, the poor, aboriginals and the elderly. And they certainly have no interest in perpetuating policies and practices that’ll help students who are about to enter the workforce. Note that productivity gains have cost middle class Canadians some \$7,500 a year. Multiply that by thirty - the number of years parents worked and you come up with some of what was lost due to prosperity theft - \$225,000. Add in the increasing tax burden as reported by the Fraser Institute with its Tax Freedom Day calculation...

1981 – May 30; 1985 – June 6; 1995 – June 18; 2003 – June 27; 2004 – June 28; 2006 – June 19; 2007 – June 20.

... and it's not hard to predict what's coming with further declines in productivity and the historic burdens inherited from baby boomer retirement. The country's standard of living will plummet. And all the while the 0.001% will continue to surreptitiously extracting \$5-6-7 hundred billion a year - year after year, decade after decade.

The argument made to all the contacted organizations is this:

All students are going to 'inherit' this country upon leaving university. They have a right to know how the political system and economy operate. And they don't have to be another generation that loses out on what one of the richest nations on the planet offers.

Expanding the Montréal protests to become nationwide ought to be these organizations' objective; for only then what mainstream media has concealed can be widely known and 30+ million Canadians will not only be empathetic towards their legitimate cause, but will also join them in seeking major reform and accountability.

What is the methodology of engagement going forward? Certainly the Quebec situation is a historic opportunity that ought not be missed. This Gandhi style civil disobedience has caught the attention of 30 million plus Canadians. Using the power of the very media that has been preventing them from discovering prosperity theft, students in other provinces ought to become as vocal as possible, replicating what the FEUQ, FECQ and CLASSE have achieved. Otherwise - and it's not hyperbolic to state - their futures and that of the generations that follow them will be evermore exceptionally bleak.

What another source of the foregoing facts, figures and statistics? Read the July 11, 2012 article published in The Star entitled [Canada's economy: eight reasons to curb your enthusiasm.](#)