



# The Brief

Vol. 3 No. 5

A project of the NB Media Co-op

February 2012

nbmediacoop.org

## Students call for tuition decrease in upcoming budget

By SARAH HUNT

Students from St. Thomas University and the University of New Brunswick addressed Finance Minister Blaine Higgs at the pre-budget consultations in Fredericton on January 24th. Our message: tuition fees must come down. In response, Minister Higgs said students spend most of their money on alcohol and smoking and that we need to learn to live without these things. I lost a lot of respect for Mr. Higgs that night.

Students oppose any budget that will see tax cuts for corporations and the rich while increasing tuition fees for those who can least afford to pay. Minister Higgs has ignored how a tuition fee increase will negatively affect students. This year's budget is set to make the prospect of attaining post-secondary education even more unattainable for the majority of young people in New Brunswick.

More and more jobs require a post-secondary education. When tuition fees increase, fewer students pursue post-secondary education and students are forced to leave the province after graduating to pay down mortgage-sized debt loads. With a tuition increase, the New Brunswick government is going to drive away students, who could otherwise be contributing to the province upon graduation through their higher income taxes.

The average debt level of a graduating university student in Atlantic Canada is approximately \$37,000. Is the Minister planning to pay for upcoming tax cuts – 68% of which are going to the upper 24% of the earning population – on the backs of students? This is not responsible fiscal management. St. Thomas University student Alex Green says, “Students are being forced to pay for the financial crisis of New Brunswick, which we did not cause”.

Students are challenging the Minister to seek alternate, more viable solutions to this financial crisis. Turning government debt into student debt won't solve the problem. This burden should not be one that rests so heavily on the shoulders of New Brunswick students.

For more information, Facebook: Occupy Tuition.

Sarah Hunt is a first year criminology student at St. Thomas University.



## Two-tiered minimum wage will squeeze more from workers

By CHRIS WALKER

Currently New Brunswick is debating the notion of a two-tiered minimum wage wherein workers earning tips will receive a lower hourly rate of pay than other workers. The NB Media Co-op interviewed Jason Edwards, a Halifax-based researcher with the Canadian Centre for Policy Alternatives, on his analysis of minimum wages in Canada, what stimulates their growth/reduction and the function they perform.

**Chris Walker: The food service industry is pushing for a two-tiered minimum wage for obvious reasons. How do you respond to the economic argument that this reform will make New Brunswick more “competitive” and will reduce unemployment by spurring investment and economic growth?**

Jason Edwards: There are two reasons that these claims should be challenged. The first is that there is no conclusive evidence linking minimum wage increases to unemployment. More accurately, unemployment follows the ebb and flow of the overall economy. Generally, increasing the minimum wage results in more total wages paid to lower income earners, which is, in my view, a good thing.

Second, regarding “competitiveness,” it is important that we not allow the interests of a particular group of individuals to become synonymous with the interests of society in general. While paying poverty-level wages may put a few hundred extra dollars in the pockets of business owners every month, it also has a seriously detrimental impact on the lives of working families. The thousands of hard-working New Brunswickers who barely make it on low wages are too often forgotten in public conversation that confuses being competitive with having the most expendable workforce.

**CW: You say there is no “conclusive evidence linking minimum wage increases to unemployment.” That position contradicts the rationalizations behind official**

**policy. Last June New Brunswick lost 1,900 jobs, pushing unemployment up to 9.6%. The decision was made to hold off on raising the minimum wage in order to prevent unemployment from getting worse. How do explain this?**

JE: Arguments like this speak volumes to the class dynamic of the minimum wage. We have two competing groups with competing interests. One group, the owners of capital, has a distinct advantage over the other. For one, it can afford expensive lobbyists.

We're all familiar with the work of the Canadian Federation of Independent Business (CFIB) and the Canadian Restaurant and Foodservices Association, which have lobbied endlessly to keep wages down. What's worse is that the owners of capital can, at their leisure, invoke the spectre of job losses without any tangible supporting evidence.

Of course CFIB members will answer “yes” when asked if minimum wage increases could result in job losses; they know it is in their best interest to promote the idea that, as New Brunswickers, we have to decide between poverty-level wages and unemployment. Unfortunately, low-wage employees possess no equivalent mechanism for swaying the opinions of public officials. Instead, they must rely on their own hard work, the few academic studies that are produced, and the wherewithal and natural empathy of the voting public to represent them.

**CW: The Atlantic Institute for Market Studies (AIMS) released a report on minimum wage that argues that a 10 per cent increase in the minimum wage reduces the employment of youth and teens by roughly three to six per cent, how do you respond to this claim?**

JE: AIMS is a perfect example of the social asymmetry that exists between the ownership class and the working class. A quick glance at their list of donors—mostly big business, banks, and other groups of concentrated capital—makes their political bias quite clear. They work without pause toward justifying and reinforcing the position of moneyed elites.

A study like the one you mentioned should be considered dubious, at best, by a critical thinker because the conclusion is predetermined: it must reinforce capital's position that working people need to accept low wages or suffer the

consequences. Research by more serious economists, whose premises and conclusions do not rely on the interests of their benefactors, more often argue that modest minimum wage gains do not reduce employment, and any unemployment effect they may caused is offset by increases in the overall wage-bill.


**CW: According to Statistics Canada the proportion of New Brunswick workers employed in low wage jobs has increased from 22.3% in 1993 to 27.5% in 2004. According to economists at the Canadian Union of Public Employees (CUPE), when adjusted for inflation “the real value of the minimum wage is still far below what it was 30 years ago in every single province in Canada.” If it is empirically true that as time goes on a greater proportion of Canadians are working for lower wages, what could account for this trend?**

JE: The staggering statistics regarding low-wage employment in the Maritimes are not new, but are only now gaining notoriety. The Atlantic Provinces Economic Council recently released a report concluding that in Atlantic Canada's past ten years, the number of high-wage jobs created was dwarfed by the number of low-wage jobs created by a rate of four to one.

Distilling these trends into precise cause-and-effect relationships is difficult. In general, after significant wage-increases over the forties, fifties... *(continued on page 2)*



**Advocates of a proposed two-tiered minimum wage system would have low wage workers even more strapped for cash.**

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