

# Drastic Austerity Measures under Canada's 2013 Budget. Bailing out the Banks, Confiscating the Savings of Canadians?

Global Research News Hour Episode 22

By [Michael Welch](#) and [Ellen Brown](#)

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Region: [Canada](#)

Theme: [Global Economy](#), [GLOBAL RESEARCH NEWS HOUR](#), [Poverty & Social Inequality](#)

## The Canadian Federal Budget

On March 21, Canadian Finance Minister Jim Flaherty tabled his government's 2013 Budget.

As the title of the document suggests, [Jobs, Growth and Long-Term Prosperity: Economic Action Plan 2013](#) claims to put a focus on job and skills training, and on setting the stage for growth over the long term. It also places an emphasis on eliminating the federal deficit, the difference between government revenue generated and government expenses within three years.

The Federal government proposes among other things, \$900 million in new spending, lower corporate income taxes and other incentives to encourage business investment in the country, \$400 million in revenue generated from the closing of tax loopholes, a \$14.4 billion infrastructure fund spent over ten years, and the folding of Canada's International Development Agency CIDA into the Department of Foreign Affairs and International Trade.

The [Canadian Centre for Policy Alternatives](#) has been proposing Alternative Federal Budgets for the past nineteen years. For the past nineteen years, the research body has in their proposals not only placed more of an emphasis in investing in the social sector, they have often been more accurate in their economic forecasts than the Feds.

In his review of the Flaherty Budget, the CCPA's David Macdonald finds that the government's emphasis on deficit reduction comes at the expense of the country's long-term growth. HE argues that the job training plan will not deliver as promised. He also laments that the infrastructure spending is actually cut with the bulk of the spending being put off until after 2020!

David Macdonald will be our guest in the first half hour.

## Bailing out the Banks with Depositors Savings

Canada's Budget document also contains the following provision:

*The Government proposes to implement a bail-in regime for systemically important banks.*

*This regime will be designed to ensure that, in the unlikely event that a systemically important bank depletes its capital, the bank can be recapitalized and returned to viability through the very rapid conversion of certain bank liabilities into regulatory capital. This will reduce risks for taxpayers. The Government will consult stakeholders on how best to implement a bail-in regime in Canada. Implementation timelines will allow for a smooth transition for affected institutions, investors and other market participants.*

– Jobs, Growth and Long-Term Prosperity: Economic Action Plan 2013, p. 145

According to Ellen Hodgson Brown, this provision sets the stage for the same expropriation of bank depositors' funds as was pioneered in Cyprus.

What's more, a similar bank bail-in scheme may soon be instituted in the US and UK putting bank depositors at the same risk as holders of Lehman Brothers stock in 2008.

In the second half hour of the show, Ellen Brown explains the legal justification for these plans, how they have been in the planning for a long time, and what vulnerable individuals can do to protect themselves.

Ellen Brown is a civil litigation attorney, chairperson of the Public Banking Institute, and the author of eleven books, including [Web of Debt: The Shocking Truth About Our Money System and How We Can Break Free](#).

Listen To The Show



Length (58:41)

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