

# Calls for spending cuts and tax hikes in wake of Toronto municipal strike

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No sooner had striking City of Toronto inside and outside workers ratified new collective agreements than big business and their mouthpieces in the mainstream press stepped up their campaign for the working class to pay for the budgetary crisis that looms over the city's finances.

"Recession battered cities in the United States," declared the liberal *Toronto Star* in an August 9 editorial, "have already resorted to widespread layoffs, service cuts, the selling of valuable assets and imposed periods of unpaid time off (a phenomenon familiar to Ontarians as 'Rae Days'). Next year could be Toronto's turn with a projected [budgetary] shortfall of about \$400 million."

*Globe and Mail* columnist Robert Silver, an entrepreneur and former advisor to Ontario Premier Dalton McGuinty, was more direct: "How does (Mayor) David Miller intend to pay for this deal? This isn't an empty rhetorical or populist question; the city is broke. It was broke before this deal, it's more broke now. Hundreds of millions of dollars more broke. David Miller will either have to raise taxes, cut services or go beg another level of government for money to pay for his rich deal."

The settlement concluded late last month between city negotiators and Canadian Union of Public Employees (CUPE) Locals 416 and 79 was anything but "rich". A concessions contract, it provides for a 6 percent wage rise over three years and the implementation of a two-tier sick-pay program. After accounting for some contraction of benefit programs, city workers will see an increase in their total compensation of 5.6 percent over the life of the deal. This is well below the 3 percent annual wage raises that the city recently negotiated with other bargaining units.

Moreover, as the *Star* editorial indicates, Toronto's establishment is already pressing for the city to force workers to take unpaid leave, thereby further eroding their earnings.

Egged on by the corporate media, a large faction of Toronto's city council opposed the settlement with CUPE—it was ratified at a special session of council by a vote of 21 to 17—as overly generous. But in explaining the agreements to council, city manager Joe Pennachetti boasted that they adhered to the terms set by the council's employee and labor committee. "We are definitely within, and in fact below, our financial mandate," said Pennachetti. "Firstly, in regard to salaries, we are within the mandate, as outlined with salaries averaging 2 per cent per year. Our salary increase is an incredible achievement and our increases are effectively the lowest in the province for total compensation in closing salaries and benefits for 2009."

These concessions notwithstanding, the agreements ending the strike have been vociferously denounced by big business and virtually the entire corporate media in Toronto and across Canada. "If this is what [Mayor Miller] calls winning," complained the *Globe's* Marcus Gee, "it is frightening to think what losing would look like." Gee concluded his right-wing screed by proclaiming that "the mayor will pay a price."

Throughout the 39 day strike the press vilified the 30,000 striking

workers (who earn on average less than \$40,000 per year) as "greedy," "lazy" and "selfish," because they had the temerity to refuse to accept a contract offer laden with over 100 pages of concession demands. These included the abolition of a long held "bankable" sick day program for all workers. (In the end, CUPE negotiators surrendered this program for all new hires, whilst "grand-parenting" the provision for current members).

Powerful corporate voices, such as the *Globe and Mail* and *National Post*, declared Toronto Mayor David Miller's ability to impose sweeping concessions on the city workers a litmus test in determining whether he merits re-election next year. After all, had the purportedly "mighty" Canadian Auto Workers and United Steelworker bureaucracies not recently bowed down before the demands of the auto and steel bosses and accepted massive cuts in wages, benefits, jobs and working conditions? Had not the Windsor, Ontario city council forced CUPE workers to accept a two-tier post-retirement package and an even more miserly wage settlement after a bitter 101-day strike that ended earlier in July? No less was expected and demanded by big business in the Toronto dispute, with the calculation that a goring of the Toronto city workers would serve as an example for workers across Canada and facilitate a new round of massive social spending cuts at the federal, provincial, and municipal levels.

In their strike post-mortems, the right-wing *National Post* and *Toronto Sun* were agreed that all stops should have been pulled out in order to break the strike, accusing Miller of pandering to the unions because he did not threaten the strikers with everything from extensive court injunctions to arrests, scab-herding, layoffs, and privatization. Hopefully, they sighed, Miller would be replaced in the next election by a candidate willing to wage all-out war against the city's working class at the next opportunity.

But if Miller, a lapsed member of the social-democratic New Democratic Party (NDP), and his NDP and Liberal Party allies on Toronto's city council thought it wise to bring the city workers contract dispute to an end, it was not because of any surreptitious sympathy or fraternity with the striking workers.

The strike infuriated Miller and his supporters on the city council. During the entire course of the dispute, not one so-called "left" city councillor spoke up against the abuse heaped upon the city's employees.

The onset of a deep recession meant, Miller and his supporters insisted, that all bets are off; that city workers should pay for the crisis of capitalism by accepting a cut in real wages and other concessions. But sacrifice only goes so far. At the same time, these same councillors refused to roll-back their own recent salary hike, which vaulted them into six-figure territory. Meanwhile the announcements just down the street from City Hall from the Royal Bank, Scotiabank, and Toronto-Dominion that they were once again generating profits of nearly a billion dollars a quarter passed without comment.

In early July, going over the heads of the union bargaining committees, Miller made the unprecedented move of publicizing the city's negotiating position. In resisting across-the-board concessions, "the unions," declared Miller, "have maintained a position that can at best be described as

unrealistic” This gambit was aimed at stoking the virulent campaign that Toronto’s corporate elite had mounted against the modestly paid inside and outside municipal workers.

If Miller did not embrace the shrill calls from the right for full scale class warfare it was out of fears that such open strikebreaking would unleash the pent-up anger of the multi-million strong working class in the Greater Toronto Area—a working class that has seen its living standards and social services slashed over the past decade, while the city’s financial elite has gorged on the ill-gotten gains of rampant speculation.

Had Ann Dembinski, president of Local 79, Mark Ferguson, president of Local 416, and Sid Ryan, leader of the Ontario division of CUPE, mobilized their own membership, let alone the masses of working people in the Greater Toronto Area in a political movement against all concessions, layoffs and in defense of public and social services, Miller’s offensive could have been defeated.

Instead, the CUPE officialdom sought from the outset to confine the strike within the narrowest collective bargaining framework. Union spokespersons refused to politically denounce the so-called “lefts” on city council for their double-dealing—after all, the municipal locals and the Toronto District Labour Council regularly back their re-election.

The media’s crass and hypocritical vilification campaign against the strikers went unanswered. Indeed, Local 416 President Ferguson made a virtue out of the union’s failure to answer the media’s lies and mount a struggle linking the city workers’ opposition to concessions to a broader defence of workers’ living standards and public services. “I don’t see the strike as a popularity contest,” Ferguson told the *Star*. “As long as I can be judged by those who know and love me that I’m doing the right thing, it doesn’t matter to me what the average person thinks.”

CUPE failed to call even a single mass rally. A photo-op for union leaders in front of City Hall during the first days of the strike was not even advertised amongst rank-and-file strikers. No attempt was made to link up the CUPE municipal workers’ strike in Windsor with the Toronto struggle. The content of the negotiations were kept secret from the membership and requests for meetings to update the strikers were ignored. Only when Miller went to the press with the city’s latest offer did the union locals even update their websites.

Because the city and the ruling class did not extract all the concessions they demanded, CUPE has hailed the outcome of the Toronto strike as a “victory.” In this they have the full support of the various petty bourgeois “left” organizations. Thus, the International Socialists, whilst admitting the wage settlement was a “step backward” and quietly omitting any mention of the new two-tier sick pay program, nonetheless has proclaimed that since both locals “went out together, stood together and went back together”, the “CUPE victory shows solidarity can win.” Similarly, a statement from Socialist Action, a “left” supporter of the NDP, claims Mayor Miller was “defeated” because the union “traded off a concession for some small gains.”

Sowing such illusions only serves to politically disarm workers in the face of the ruling class’ preparation for a fresh offensive, paving the way for further, more decisive defeats. By keeping their dispute with Miller squarely within the confines of the secret bargaining sessions at the various downtown Toronto hotel rooms, and by refusing to mobilize and unify the working class in a political fight against the big business establishment, the CUPE leadership has provided the ruling elite with the ammunition to launch the next stage of their attack. It is this understanding that lies behind the calls in the past three weeks for stinging cuts in the upcoming Toronto city budget. Already, lies are being concocted that will seek to blame the “rich” CUPE settlement for coming cuts in public and social services, tax hikes and increases in user fees.

Little, if any mention will be made of the massive downloading of public services imposed on municipalities by the right-wing governments in Ontario and Ottawa during the 1990s. Columnists will remain silent on

the generous property tax breaks, grants and subsidies provided to commercial developers by the Miller regime that have robbed city coffers of hundreds of millions of dollars in lost revenue. Nor will the subject of grossly undervalued business land assessments be scrutinized by city politicians and the gentle people of the press. Rather, responsibility for the further cuts in snow clearance, parks and recreation and daycare and the projected water tax hike of 9 percent, the proposed garbage fee increase of 3 percent and the 4 or 5 percent increase in home owner property taxes will be laid at the feet of the “greedy” city workforce and its “union-loving” mayor.

And in the face of such an attack, CUPE will clutch more tightly to the coattails of “friends of labor” of Miller’s ilk and will seek to stifle industrial action in defence of workers’ rights and public services, by declaring that their hands are tied by reactionary labor laws that make it illegal for workers to strike when a contract is in force.

To defend their jobs, wages and rights, workers in Canada and internationally need a radically new strategy that involves a change in the activity, politics and philosophy of the labor movement. Strikes and other forms of militant industrial action must be linked to a new political strategy: the building of a mass party of the working class so as to fight for the independent interests of working people. If capitalism is incapable of providing working people with a decent standard of living—and it can’t—then working people, those whose collective labor produces society’s wealth, must advance their own plan to organize production and employment based on human need, not private profit and shareholder value.

A revived political movement of the working class must have as its aim the fight for a workers’ government, a government of, by and for the working class. In every country workers face a similar future: rising unemployment, declining wages, economic depression. Workers should reject all forms of nationalism promoted by the trade unions. The crisis of capitalism is a global crisis and the response of the working class to this crisis must be a global response. The Socialist Equality Party urges workers who agree with this perspective to join the SEP and take up the fight for socialism



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