

Ontario Liberals push wage freeze scheme

Carl Bronski
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Ontario Liberal Finance Minister Dwight Duncan summoned provincial public service union leaders to a meeting this week to demand that the labour bureaucrats acquiesce to an across-the-board wage freeze for some 710,000 unionized workers.

Duncan's wage freeze scheme will see "at least" two years of imposed austerity on government workers, hospital staff, teachers, college and university instructors, day care workers, liquor board employees and other ancillary workers. The freeze will be applied to each collective bargaining unit once their current contracts expire. The Liberal government has already frozen for two years the wages of some 350,000 non-union government workers.

Citing an estimated \$19.7 billion provincial deficit, Duncan seeks to impose the effects of the global economic meltdown—not on the financial and corporate elite who were awarded huge tax cuts and billions of bailout dollars to bolster their bottom lines—but on the backs of over a million workers. This affects 16 percent of the entire Ontario workforce, in the public sector. "We can't manage the deficit," said the finance minister, "without addressing what is the single biggest line in our budget—public sector compensation".

The government expects to save \$750 million for every year that the wage freeze remains in effect.

The Liberal government has attempted to claim that the proposed freeze is necessary in order to defend jobs and social services. But Duncan's gun sights have not just focused on the wages of civil servants. In his March budget he axed \$1.4 billion in infrastructure expenditures, cut funding to hospitals already cash-strapped by previous budgets, reneged on pledges to finance transit projects in Toronto, cancelled \$174 million in a province-wide bus replacement program, set in motion a plan to cut 5,000 government jobs, and infamously slashed \$200 million from the special diet allowance that thousands of welfare recipients depend upon for their survival.

The response of the assembled trade union leaders to Duncan's prescriptions was predictable, with sound bite

after sound bite provided to the press and tailored to show that the well-heeled bureaucrats have no intention of mobilizing their memberships in strike action against either the government or their immediate employers. The trade union officialdom in the province have for years maintained a cozy relationship with the big business Liberal government of Premier Dalton McGuinty, appearing side-by-side on selected platforms promoting government policy and, in some cases, openly providing election campaign support.

Even prior to Duncan's Tuesday announcement, labour leaders were signaling the government that they did not plan on serious resistance to the assault on their members' wages. John Wilkinson, the provincial revenue minister, trumpeted the "unprecedented labour peace" between the unions and his government over the past seven years. "I've been really surprised and kind of heartened," he said, "by the fact that people who are paid by the taxpayers, have all kind of indicated they understand".

Ontario Federation of Labour president (and perennial New Democratic Party election candidate) Sid Ryan said the unions under the federation's umbrella would treat Duncan's wage freeze agenda with an "open mind". Asked if he contemplated a general strike against the government or even local job actions in each bargaining unit, Ryan brushed off even the suggestion of such occurrences. "We're not even close", he stated.

Similarly, Smokey Thomas, president of OPSEU, the 115,000-member Ontario government workers' union, remained open to the wage freeze, simply stating that Duncan "has to bargain it. He can't legislate it". Thomas, like his fellow union leaders across the country and around the world, is keen to demonstrate that employers need the services of the trade union bureaucracy—especially in times of crisis—in order to facilitate the cuts in jobs, wages and working conditions that the bosses are demanding.

Indeed, OPSEU officials have already shown their willingness to "bargain" the wage freeze. In April, shortly

after Duncan began floating the austerity scheme, the union agreed to a two-year settlement with no wage increase for 1,200 members working for the Municipal Property Assessment Board.

Andrea Horwath, leader of the provincial New Democratic Party (NDP), has also been restrained in her response to the Liberal government's budget attacks on public sector workers. She states that Duncan's proposals were "vague" and he has a "hard road ahead", but "times are tough". "I'm quite sure", she explained, "that when [union negotiators] get to the bargaining table, they will do their part as well".

Horwath, ever the circumspect politician, chose to remain silent on her own party's imposition of a wage freeze combined with unpaid leave for government workers under the Ontario NDP government of Premier Bob Rae in 1993. That "social contract" cut over \$2 billion from the government's wage bill.

In order to maintain a fig leaf of credibility with their memberships, the union leadership has threatened to oppose Duncan's austerity demands through the courts. Citing a 2007 Supreme Court ruling that overturned the British Columbia Liberal government's attempt to void an existing collective agreement and impose a new austerity contract on health workers, union advocates have postulated that Duncan's wage freeze scheme violates workers' constitutional rights of free association in collective bargaining.

But in finding the BC law unconstitutional, the Supreme Court also stipulated that there was nothing wrong with the BC government seeking to reduce health care costs or engaging in "hard-bargaining". It also reaffirmed the prerogative of federal and provincial governments to impose collective agreements through legislation in "exceptional circumstances" and to strip workers of the right to strike.

The court also affirmed that Canada's constitution permits "interference with the collective bargaining process on an exceptional and typically temporary basis, in situations, for example, involving essential services, vital state administration, clear deadlocks and national crisis".

However, BC's Liberal government, they found, had effectively nullified the Charter's guarantee of freedom of association by tabling legislation without first attempting to negotiate a settlement with the health workers' union, and by adopting that legislation in just three days, all the while rebuffing the union leadership's appeals for talks.

The government, said the court majority, did not

consider whether it could reach its purported goal of "improving the delivery of health services" by using "less intrusive measures". In other words, rather than moving directly to rip up the existing contract and imposing a new one through legislative diktat, the government, said Canada's highest court, should have first explored whether its budget-cutting objectives could have been reached with the help of the union bureaucracy.

It is with these rulings in mind that Duncan has proceeded as he has. Calling his Tuesday address to the unions a "dialogue", Duncan maintains that the government is simply providing a set amount of funds to the various employers' associations. The various management and union bargaining teams will, however, still engage in a "hard" bargaining process.

In 2007, the union bureaucracy declared euphorically that the Supreme Court ruling was a victory. But it was a "victory" for the union bureaucrats, not for the rank-and-file workers who populate their moribund organizations.

With its affirmation that there is a constitutional right to bargain collectively, the court was issuing a caution to governments: do not needlessly dispense with the labour relations system the Canadian state erected during the 20th Century, and which served to contain and constrain the class struggle within the narrow confines of contract negotiations predicated on the acceptance of the wage-capital relationship. Above all, do not needlessly undercut the legitimacy of the trade unions, which have played, and continue to play, a fundamental role in maintaining the existing order.



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