

Behind election smokescreen: Canada's elite prepares all-out assault on Medicare

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Even as the population is purportedly determining through the May 2 election the policies Canada's government will pursue in the years ahead, big business is outlining the real agenda that will be implemented by the political elite.

Chief among its priorities is an assault on what remains of the welfare state and especially the universal public health insurance system, Medicare.

During the election campaign and in the months that preceded it, a parade of business leaders and business lobby groups, rightwing think tanks, retired politicians, newspaper editorialists and academics has demanded that Canadians hold "an adult conversation" on health care.

What is meant by this is not difficult to discern: Claiming that the existing public health care system is financially "unsustainable," big business and its ideological representatives are demanding that responsibility for funding health care be shifted in large measure from the state to individuals and their families. Furthermore, in the name of "efficiency," they are pressing for private, for-profit companies to be given a much greater role in the provision of medical services.

Canada's public health care system has been ravaged by years of cuts and underfunding. The resulting decline in the quality of care served as the pretext for a 2005 Supreme Court ruling that has allowed for a significant expansion of private health care clinics. Nevertheless, big business is profoundly dissatisfied and determined to greatly accelerate the dismantling of the reputedly "unsustainable" Medicare system.

Acutely conscious of the popular opposition to its drive to dismantle Medicare and the reluctance therefore of its political standard-bearers to push for a system where money determines the speed-of-access and quality of care, big business is seeking to develop a political mechanism for imposing its agenda. Hence the call for an "adult conversation"—a rightwing debate that accepts not only the capitalist social order, but also the debilitated fiscal framework created by years of tax cuts for business and the rich.

As it usually does, the ruling elite is trying to camouflage its intentions. It claims its aim is not to destroy Medicare but merely to "reform" and thereby "save" public health care.

John Manley, a former federal Liberal finance minister and the current CEO of the country's most powerful business lobby group, the Canadian Council of Chief Executives (CCCE), set the tone for the anti-Medicare campaign in a speech given at the beginning of the election campaign. "Canadians and their governments," declared Manley, "need to get serious about reforming (and therefore saving) healthcare." The CCCE's proposed "Agenda for the Next Government" prominently includes the demand "Lead a serious conversation on healthcare."

Soon after Manley's speech, two influential rightwing think tanks, the C.D. Howe Institute and the Fraser Institute, published reports arguing that health care costs are escalating far quicker than government revenues and that privatization and cuts to health care and other programs will be needed to counteract what the C.D. Howe Institute report labeled as the

"chronic health-care spending disease."

The significance of the C.D. Howe Institute report is underlined by the fact that one of its two co-authors is David Dodge, the former head of Canada's central bank and the Deputy Finance Minister in the mid-1990s when the Chretien-Martin Liberal government implemented the harshest spending cuts in Canadian history.

On April 18, the Toronto Stock Exchange was the site of an address by Neil Fraser, president of the drug and medical instruments company Medtronic of Canada, titled, "Why the Private Sector Can and Should be Part of Canada's Health Care Solution."

The following day a *Globe and Mail* op-ed column penned by the well-known conservative historian Michael Bliss advocated—as has former Tory Prime Minister Brian Mulroney—using a Royal Commission to bypass the politicians and develop a prescription for "reforming" Medicare.

Speaking as a member of the elite, Bliss matter-of-factly begins his piece by declaring, "Everyone knows that action must be taken in the next few years to reform Canada's health care system." But he then laments, "No one knows how to do it."

Having criticized the think-tanks and academics for their failure to "command the broad basis of support to fill the void" left by "vote-seeking politicians [who] are terrified of becoming off-side with public opinion," Bliss argues that a Royal Commission could formulate a ruling class consensus that the government could then "use as the basis for a reform program that could become the central issue in the next election." Without such a means of "depoliticizing" the health care debate through the use of appointed "experts" not beholden to voters, "We doom ourselves," says Bliss, "to drift, incoherence, more demagoguery and an increase in both public apathy and anger."

Last week another prominent rightwing think-tank, the Conference Board of Canada, announced the formation of the Canadian Alliance for Sustainable Health Care. It is being financed by the country's major banks, life insurers and other large companies and is charged, as an exuberant *Globe and Mail* report observed, "with developing ideas [that] can best ensure that health-care costs don't become unmanageable for taxpayers—and for corporations."

During the election campaign Canada's four major parties and their leaders hypocritically posed as implacable defenders of Medicare. At the same time they sent clear signals to the ruling class that they are ready to push forward with privatization once elected.

When Stephen Harper was asked during one of the leaders' debates about the C.D. Howe Institute report, he tartly dismissed its importance, vowing that his government will defend the public health care system, "which my family and I use." Michael Ignatieff, for his part, proclaimed his Liberal Party the foremost defender of Medicare, while pointing to the repeated denunciations Harper made of "socialist" health care before becoming Conservative Party leader to argue that Harper's government cannot be trusted to defend public health care.

The reality is that none of the four parties can be “trusted.” All are beholden to big business and have slashed public services, including health care, while reducing taxes on the rich and big business.

Opposition to Medicare has been one of the animating political-ideological principles of Harper throughout his career. Long before a consensus emerged in Canada’s ruling elite that Medicare is “unsustainable,” he was advocating—as a leader of the Reform Party and later president of the National Citizens’ Council—for user fees, privatization, the “right” to purchase health care, and the limiting of the federal government’s role in health care. His minority Conservative government has implemented the federal-provincial health accord negotiated by its Liberal predecessor, while setting the stage for the coming assault on public health care by pressing forward with massive tax cuts, including a more than \$50 billion five-year corporate tax-cut schedule.

These policies are aimed at hobbling the fiscal capacity of the federal government in order to make further spending cuts unavoidable. Harper’s current campaign for a majority government is aimed at getting a “free hand” to accelerate this process, taking advantage of the expiry in 2014 of the current federal-provincial agreement governing the transfers Ottawa makes to the province to pay for health care.

During the election campaign, the Liberals, like Harper and his Conservatives, have explicitly defended “experimentation” in health care delivery—a code word for privatization that peppers the reports from big business think-tanks like the Fraser Institute. Supporting the “experimentation” carried out in Quebec, where there are now more than 300 private health care clinics, Ignatieff declared, “I have said that the big thing concerning our health care system, is its national character, its pan-Canadian character. It has flexibility, it offers regional variety, there are provincial variations—and that’s to be welcomed.”

Throughout the campaign Ignatieff has held up the Liberal government of Jean Chrétien and Paul Martin as proof of the Liberals’ commitment to “fiscal responsibility” and contrasted its record with the “free spending” of the current Conservative regime. The Chrétien-Martin Liberal government bears much of the responsibility for the lamentable decline of Canada’s public health care system. In the name of eliminating the federal deficit, it carried out the greatest social spending cuts in Canadian history, including massive reductions in the cash transfers to the provinces that finance health care. Then beginning in 2000, it massively reduced taxes on business, capital gains, and the swelling incomes of the rich.

As for the trade union-backed NDP, when it has formed the government in various provinces over the past two decades it has implemented policies little different from those of the Liberals and Conservatives. This has included cutting social spending so as to reduce corporate taxes and the taxes of the rich and thereby contributing to both the erosion of health services and the rapid increase of social inequality. Moreover, in so far as the social democrats and the union bureaucracy have argued in favor of the maintenance of the current public system it has increasingly been from the standpoint that it is less costly than that in the US and represents, therefore, a significant “competitive advantage” for Canadian business. (See: “Canada: NDP leader Layton concedes he has no substantive differences with big business Liberals”).

The Bloc Québécois also postures as a party of the “left.” But the Parti Québécois (PQ), its provincial-level sister party, carried out brutal social spending cuts in the 1990s when it formed governments. Under Jacques Parizeau and Lucien Bouchard, PQ governments closed hospitals and hospital beds and slashed personnel. And like the Liberals and Conservatives, the BQ, in the name of upholding Quebec’s constitutional prerogatives in social policy, defends the spread of private health care clinics under the Charest Liberal government.

The corporate media has expressed a certain frustration over the fact that the party leaders dared not initiate an “adult conversation” on health care

during the election campaign.

Jeffrey Simpson, the *Globe and Mail*’s lead national affairs commentator, complained in his April 23rd column that “health care is iconic in Canada, untouchable and ideological, incapable of being seriously debated, as this election campaign shows.”

But federal Finance Minister Jim Flaherty has counseled the ruling elite to be patient: its message has been heard and will be answered once the current federal elections and the elections to be held later this year in a majority of the country’s ten provinces are out of the way. “Realistically,” Flaherty told the *Globe* in an interview at the beginning of the federal election campaign, “there will be no serious discussion [on health care] this year anyway. There are six or seven provincial elections this fall, I’m not sure if any of the provincial politicians are going to raise the issue.” But he then added that at some point, “somebody will take the lead on this.”

What has particularly upset Simpson and other press commentators is that all the party leaders, including Harper and Ignatieff, promised during the heat of the election campaign to continue increasing the federal transfers for health care by 6 percent per year when the current 10 year federal-provincial health care accord expires in 2014.

The corporate media presents the 6 percent annual increase that has been applied since 2004 as excessive and unsustainable. In fact, when one takes into account the impact of inflation, population growth and the aging of the population, this increase has at most allowed the public health care system to tread water after almost drowning from two decades of underfunding and, beginning in 1995, massive cuts.

Examples of Canadian politicians saying one thing in election campaigns then doing the opposite are legion. To cite but one example, the Liberals were elected in 1993 on pledges to rescind the GST, renegotiate NAFTA, and end the Conservatives’ “fixation” on reducing the deficit. Nonetheless, the party leaders’ claims that they will maintain the 6 percent increase after 2014 have outraged the *Globe* and other big business mouthpieces.

In an April 25 editorial titled “Canada’s 6-per-cent health-care fetish,” the *Globe* declared: “Opening the door to the vault is not the job of a leader. It’s to demonstrate that, when the public’s bottomless appetite for more and better health care meets the reality of an economy that could drop off a cliff (again), he can use federal leverage to promote sustainable change.”

Workers must take this as a serious warning of the ruling class’ intentions. The *Globe* and the elite decry a “chronic health-care spending disease” and condemn the determination of the vast majority of the population to maintain and improve the current universal public health care system as the “public’s bottomless appetite.”

The ruling class has of course a markedly different attitude when it comes to the drive of big business and the rich to lower their taxes, the global bailout of the financial aristocracy in 2008-9, or the increase in Canada’s military spending to levels higher today than at anytime since World War II. On these matters there is never any question of “bottomless appetites.” Through the coming assault on Medicare, the ruling elite intends to accelerate its longstanding drive to channel wealth and resources to the most privileged sections of Canadian society to the detriment of the health and wellbeing of the working class and the overwhelming majority of the population.

Full coverage of the 2011 Canadian election



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