Ontario elections serve as smokescreen for coming big business offensive

Keith Jones
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The corporate media and leading spokesmen for big business openly admit that Ontario's election campaign, which concluded yesterday, was an exercise in political theater: irrespective of their campaign promises, whichever party or combination of parties forms Ontario's next government, it will implement massive cuts to public services.

The *National Post* bluntly told its readers, “Platform reviews of Ontario’s three main parties ... are almost superfluous. After all, none of them will be able to keep their promises.”

David Dodge, a former head of Canada’s central bank, told the *Globe and Mail*, “Whoever wins” the election, “will be seen to have lied to the public.” Dodge, it should be noted, was a top aide to federal Finance Minister Paul Martin when he carried out the greatest social spending cuts in Canadian history.

Titled “Spending Cuts—the unspoken issue in the Ontario campaign,” a September 26 *Globe* article cited investment fund manager Michael Decter as saying the next government will have to cut spending “and that’s not being telegraphed very hard.” Decter had a senior post in the Ontario New Democratic Party (NDP) government of the early 1990s that in response to a severe recession slashed public services and public sector workers’ jobs and wages.

Even more significant are the comments of Don Drummond, the former bank vice-president who Ontario’s current Liberal government has charged with preparing a blueprint for radically downsizing the province’s public sector. In late August, Drummond told the *Toronto Star*, “Whoever forms the government on Oct. 7 is going to find themselves in a deep fiscal hole … The public, certainly, doesn’t understand it, and I don’t know whether the political parties completely understand it.”

All three major parties—the Liberals, Conservatives, and New Democrats—have pledged to implement austerity measures so as to eliminate the province’s annual budget deficit, currently running at more than $16 billion per year, by fiscal year 2017-18.

The Liberals have vowed to hold spending growth at less than 2 percent per year till the deficit is eliminated. Due to inflation, which presently exceeds 3 percent per annum and population growth, such action would translate into steep per capita spending cuts. The Conservatives, for their part, have said they will implement a 2 percent cross-the-board spending cut, with only education and health care exempted.

But Drummond considers such measures as small change. “Somebody is going to have to do something, and it’s going to have to be fairly forceful … and they’re likely will be some [pain] involved,” said the head of the Commission on Reform of Ontario’s Public Services. “My guess is that come Oct. 7, somebody is going to be knocking on our door asking for ideas.”

An idea of the type of recommendations Drummond will be making to the incoming government is given by his claim that a quarter of the province’s health care spending is “wasteful.” “So obviously,” Drummond told the *Star*, “… that would be the least painful stuff” to cut.

Canada's most populous and industrialized province, Ontario has been harder hit by the world economic crisis than any other part of the country. Tens of thousands of jobs have been eliminated in manufacturing. Modest economic stimulus measures and plunging tax revenues—a consequence of the recession, but also of a decade-and-a-half of tax cuts skewed to swell corporate profits and further enrich the most affluent layers of society—have resulted in a string of unprecedented budget deficits and driven Ontario’s accumulated provincial debt to over $235 billion.

Canada’s capitalist elite now intends to exploit this fiscal crisis to press for a social policy of counter-revolution.

Already in the three years since the eruption of the financial crisis, big business and its political representatives have significantly restructured class relations to the detriment of working people.

With the support of both opposition parties, the Liberal government of Premier Dalton McGuinty joined with the federal Conservative government in imposing unprecedented wage and benefit cuts on GM and Chrysler workers as a condition for state aid for the ailing auto makers. With the full support of the government, courts and police, major employers like Vale Inco now routinely employ scabs to break worker resistance to concessions and Toronto’s municipal government has announced plans to do the same to push through the privatization of garbage collection and other services. Earlier this year, the McGuinty Liberal government, with enthusiastic support from the Official Opposition Conservatives, passed legislation criminalizing all job action by Toronto Transit Commission (TTC) workers. While the NDP made a show of opposing the legislation, the social democrats have habitually supported bills suspending TTC workers’ right to strike.

During the election campaign, McGuinty has postured as a defender of public services, while making repeated warnings that the Conservatives have a “hidden,” “ideologically-driven,”

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rightwing agenda of dramatic social spending cuts and privatization. McGuinty has made his political career by denouncing the Common Sense Revolution implemented by the Conservative government of Mike Harris between 1995 and 2002. But when McGuinty came to power in 2003, he left in place key components of Harris' reactionary agenda, including the restructuring of the tax system, brutal cuts to welfare and social housing, and regressive changes to Ontario's labor laws.

The *Globe and Mail*, the traditional mouthpiece of the Bay Street bankers and a strong supporter of the federal Conservative government of Stephen Harper, has endorsed the re-election of McGuinty's Liberals, arguing that they have "by and large, a defensible record." The *Globe*'s editors calculate that the Liberals will be able to use their close ties to the union bureaucracy to defuse popular opposition to sweeping social spending cuts, while continuing to make the investments in public infrastructure needed to promote corporate "competitiveness."

"Mr. McGuinty," declared the Globe, "is a moderate, and has shown an ability to move from left to right, depending on the issue. … It is time for a fiscally conservative McGuinty government, one that understands that it is Ontario's deficit that is a threat to Ontario's prosperity, and yet one that can prudently trim the sails without bringing the province to a halt."

The Conservatives, led by Harris cabinet-veteran Tim Hudak, have placed tax cuts and a series of right wing hot-button issues, like the call for the revival of prison chain-gangs, at the center of their campaign, while maintaining, like the Liberals, that the provincial deficit can be reduced incrementally and without affecting the quality of education or health care.

Although McGuinty has pledged not to raise personal income taxes and is committed to reducing the corporate tax rate by a further 2 percent by July 2013, Hudak has accused the Liberals of planning to raise taxes in virtually every campaign speech

The Conservatives had hoped to build on the gains the federal Conservatives made in the Toronto area in the May 2 federal election. But polling suggests Hudak riled many in the Greater Toronto Area with his inflammatory denunciation of a Liberal proposal to provide aid to companies that hire immigrant professionals as favoring "foreign workers" over "Canadians."

The NDP campaign, like that the social democrats mounted for the May 2 federal election, was focused on presenting the NDP as a moderate, fiscally responsible party, offering "affordable change." It made virtually no reference to the dramatic increase in social inequality over the last three decades and pledged to maintain all the cuts Liberal and Tory governments have made to capital gains taxes and to the tax rates on the incomes of the rich and super-rich. Under conditions of a mounting crisis in public infrastructure, the NDP eschewed any call for a major program of public works. Instead it is proposing Ontario boost job creation by awarding tax credits to private companies that hire new workers and by adopting a protectionist "Buy Ontario" procurement policy.

The major difference between the Liberal and NDP platform was that the NDP proposed a handful of modest social spending increases to be financed by raising the corporate tax to the 14 percent rate that it was during the first 5 years of the McGuinty Liberal government. The NDP, however, was quick to add that manufacturers and small businesses would be exempt from the corporate tax hike and that an NDP government would ensure that the combined federal-Ontario tax rate would always be lower than the combined US federal-state rate.

The NDP's silence on the statements of Drummond, Dodge and other big business spokesmen about the gravity of Ontario's fiscal crisis only underscores that the social democrats and their allies in the trade union bureaucracy are preparing to implement the ruling class' agenda, and to do so no less surely and completely as did the Rae NDP government that held office between 1990 and 1995.

Although the NDP is sponsored by the trade unions, the unions are divided over their attitude to the October 6 election.

One faction led by the Canadian Auto Workers (CAW) union, and including various teacher and construction unions, the United Food and Commercial Workers (UFCW), the Service Employees International Union (SEIU), and the Ontario Nurses Association is, in the name of preventing a Conservative victory, openly working for the reelection of the Liberal government. Last month CAW President Ken Lewenza campaigned alongside McGuinty in Thunder Bay, an industrial city in northern Ontario.

The Ontario Federation of Labour, meanwhile, is stumping for the NDP and opposes the CAW's call for "strategic voting"—that is a vote for the candidate, whether Liberal or NDP, who has the best chance of defeating the Conservative.

But these differences are merely tactical. In the event that no party wins a majority on October 6, there is no question that both union factions will support the NDP entering into an agreement to prop up a Liberal minority government whether in the form of an accord or a coalition.

With opinion polls showing an increase in NDP support, NDP leader Andrea Horvath has increasingly been promoting the idea of the NDP partnering with one of the traditional governing parties of big business. On Monday, Horvath criticized her Liberal and Conservative counterparts for declaring that they would not form a coalition in the event no party emerges with a majority in the legislature. "They're saying," complained Horwath, "it's my way or the highway. I don't think anybody accomplished anything by working all alone."

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