

Canada's Harper outlines class war agenda at Davos forum

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In a speech Thursday to the Davos World Economic Forum, Canadian Prime Minister Stephen Harper pledged that his Conservative government will pursue a “transformative” big business agenda—austerity and tax cuts, radical regressive changes to public health care and pensions, and deregulation. In short, a social policy counter-revolution.

With a significant cross-section of the world's financial elite in the audience, Harper touted Canada as a haven for investors, where businesses already enjoy the lowest taxes on new investment of any G-7 country. But, he vowed, “We will do more, much more.”

Claiming that Canada's prosperity and that of all developed countries is at risk, Harper said his government is primed to make the “hard” choices needed to sustain “economic growth, job creation and prosperity, now and for the next generation.”

Harper's assertion that “jobs” are his government's “number-one policy priority” is a transparent lie. Under the capitalist system that Harper so unabashedly promotes, all of socio-economic life is subordinated to big business' pursuit of profit. The aim of his government is not to create jobs, but to maximize profits and investor returns by removing all regulatory restraints on capital, shifting an ever-larger portion of the tax burden onto working people and eliminating what remains of the rights workers wrested from big business and their governments in the great social struggles of the last century.

During the past year, Europe's governments, whether openly right-wing or social-democratic, have implemented brutal austerity measures in the face of massive working class opposition and have increasingly resorted to authoritarian methods to do so.

Yet in a chilling display of the scope and scale of the anti-working class offensive being prepared by Canada's elite, Harper contrasted his government's resolve to promote “economic growth” with the purported focus of many unnamed Western governments on providing “services and entitlement.”

Like his US and European counterparts, Canada's prime minister was prepared at the height of the financial meltdown of 2008 to put all the financial resources of the state at the disposal of the financial aristocracy, whose rampant speculation and profiteering triggered the crisis. Now, he baldly asserts that the underlying problem dragging down the world economy is excessive social spending, “too much general willingness to have standards and benefits beyond our ability, or even willingness to pay for them.”

Already last year, the Conservative government served notice that the 2012-13 budget, which is to be tabled in late February or March, will institute sweeping social spending cuts. However, Harper, Finance Minister Jim Flaherty, and Treasury Board President Tony Clement have recently made it known that these cuts will go far beyond the Conservatives' initial target of a \$4 billion annual reduction in federal discretionary spending. Government spokesmen are now suggesting that the cuts will be closer to \$8 billion per annum. So as to spare the military and criminal justice system, many other programs and departments will have their budgets slashed by 10 percent or more. According to one reputable analysis, even a \$4 billion annual spending cut would translate into the loss of more than 50,000 federal public-sector jobs within three years.

In his Davos speech, Harper reiterated his government's commitment to balancing the budget, but, as would be expected, said nothing about where the cuts will fall.

What he did emphasize was that the coming cuts will represent only an opening volley. In the coming year, said Harper, his government will “reform” pensions and other social programs to make them financially “sustainable”—sustainable, that is, under conditions where the most affluent sections of society have monopolized all income growth for the past three decades and done so even as governments have lavished them with tax cuts.

According to press reports, the Harper government is planning to raise the age eligibility requirement for Old Age Security (OAS), a benefit paid to all low-and middle-income seniors, from 65 to 67, and to otherwise curtail OAS

benefits.

Significant as this is, it is only part of the federal government assault on workers' right to a decent retirement.

Last year, the Harper government broke strikes by Air Canada customer service agents and flight attendants and workers at the federal government-owned Canada Post. Both walkouts had been provoked by employer concession demands, particularly pension cuts.

As part of its budget-cutting program, the government is preparing to slash federal public-sector workers' pensions. Changes now under discussion include raising the retirement age, forcing federal workers to contribute more to their pensions, moving from a defined-benefits to a defined-contributions scheme, and outright benefit cuts. The corporate media has been laying the groundwork for such an attack by raising a hue and a cry over the purportedly "overly generous" pensions paid public-sector workers and by contrasting them with the meager benefits given most private-sector workers.

In his Davos speech, Harper drew the parallel between the changes his government will soon make to federal pension benefits and the steps it has already taken to significantly reduce federal spending on Medicare, Canada's universal public health insurance scheme: "We have already taken steps to limit the growth of our health care spending," declared Harper. "... We must do the same for our retirement income system."

Last month, Ottawa surprised the provinces by eschewing negotiations on a new federal-provincial health accord, instead imposing by fiat a funding formula that ensures an ever widening gap between Medicare's financial resources and patient needs. Moreover, Ottawa instructed the provinces to respond to the financial shortfall and the health care crisis that it will soon provoke through "innovation," a code word for the privatization of the management and delivery of health care.

Harper also told the assembled high and mighty at Davos that his government will continue working with the right-wing Canadian Federation of Independent Business to eliminate "red tape"—that is, health and safety and environmental regulations—and "will soon take action to ensure that major energy and mining projects are not subject to unnecessary regulatory delays. That is, delay merely for the sake of delay."

In recent weeks, Harper and Natural Resources Minister Joe Oliver have repeatedly railed against the "radical" agenda of those who oppose, or even want serious scrutiny of, plans to build a pipeline from Alberta's tar sands to British Columbia's Pacific Coast, from where oil-laden tar-sands bitumen can be transported by oil tanker to China.

Canada's immigration policy, Harper also told his Davos

audience, will be revamped so as to tie it even more tightly to employer needs, or, to use Harper's words, "make our economic and labour force needs the central goal of our immigration efforts."

Confining himself to economic policy questions, Harper said nothing in his Davos speech about the rapid expansion of Canada's military, begun under the previous Liberal government, nor about the Canadian elite's strong support for deploying the Canadian Armed Forces Canada in support of US-led wars so as to lay stake to a major say in world affairs. Harper did, however, trumpet the recent Canada-US "Beyond the Border" Agreement, under which Ottawa will integrate its national-security apparatus still more closely with Washington's with a view to speeding up cross-border trade.

The Harper government's class war agenda will be bitterly opposed by the working class. But if working people are to impose their own solution to the socio-economic crisis—a solution at the expense of big business, not jobs, pensions and public services—they must break politically and organizationally from the pro-capitalist trade unions and New Democratic Party (NDP).

These ostensibly working class organizations have responded to the capitalist crisis by moving sharply to the right. They have imposed unprecedented wage and benefit cuts, as in the auto industry, and systematically isolated working class struggles when they erupt, as in the case of the 2009-10 Vale-Inco strike and the current lockout at the London, Ontario Caterpillar-owned EMD locomotive plant, where workers are resisting demands for a more than 50 percent wage cut. Faced with the threat that as early as next week the City of Toronto will lock out 4,000 outside city workers and deploy strikebreakers to collect refuse and perform other services, the Canadian Union of Public Employees has made retreat after retreat, first renouncing a strike and now offering a three-year wage freeze and other contract concessions.

Having, as a result of last May's election, become Canada's Official Opposition, the NDP has intensified its efforts to convince Canada's elite that it can supplant the Liberals as its "left" party of government. It has lent its support to the Conservatives' pre-budget spending review, embraced the concept of Public Private Partnerships to deal with the country's infrastructure crisis, and championed Canada's leading role in the NATO war on Libya.



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