

Ontario: NDP preparing to support another Liberal austerity budget

Keith Jones
11 May 2013

With strong backing from the trade unions, the New Democratic Party (NDP) is again preparing to enable Ontario's minority Liberal government to impose a big business austerity budget.

In the spring of 2012, the NDP ensured the adoption of a Liberal budget that made sweeping social spending cuts—cuts larger than those the hated Conservative government of Mike Harris imposed in the 1990s as part of its “Common Sense Revolution.” The centerpiece of the Liberal budget was a two-year public-sector wage freeze. When the Liberals subsequently imposed contracts by legislative fiat on the province's public school teachers that froze pay, eliminated bankable sick days, and other concessions, the NDP feigned opposition.

However, no sooner did the Liberals replace Premier Dalton McGuinty with Kathleen Wynne, one of his longtime cabinet ministers, than the NDP and unions signaled that they were eager to resume their close collaboration with the Liberals and would keep sustaining them in office in exchange for a handful of modest new spending initiatives in the next budget.

To provide the unions and social democrats with some political cover, Wynne sanctioned some minor modifications to the concessions contracts imposed on the teachers. Meanwhile, in parallel negotiations, the teachers' unions agreed to hike their members' pension contributions and release the government from its liabilities for future pension-plan shortfalls. Instead, these will now be made up through cuts to teachers' pensions.

At the beginning of this month, the Liberals delivered a budget that reaffirms and broadens the austerity drive they launched in their last budget. Eliminating the budget deficit, declared Finance Minister Charles Sousa, is the “single most important” government

objective. The 2013-14 budget limits public spending growth to just 1 percent, which, when population growth and inflation are taken into account, means a substantial cut in real spending. Moreover the Liberals have pledged to cap spending growth at 1 percent per annum until the budget is balanced, that is for at least the next three years.

While the budget imposes 4 percent spending cuts on most departments (Health and Education are exceptions), it contains no significant revenue raising measures. Under conditions where the government claims it confronts a crisis requiring structural changes, it has not even touched the massive cuts in personal income, capital gains, and corporate taxation rates lavished on the rich during the past two decades. Indeed, the budget touts the fact that the Liberals have reduced corporate taxes by \$8.5 billion per year since 2009.

While the government is coddling the rich and big business, it is attacking the most vulnerable. The budget keeps the minimum wage frozen at its 2010 level—a miserly \$10.25 per hour. Most social assistance (welfare) recipients will receive a meager 1 percent increase, thus ensuring they continue to live in stark poverty. In fact, after a decade of what much of the labour bureaucracy openly praises as “progressive” Liberal rule, both major categories of social assistance recipients (those on disability and those deemed able to work) receive less in real terms than they did under Harris' Conservative government, which instituted punitive welfare cuts and openly sought to bait the poor.

Needless to say, big business was gratified by the first budget of the Wynne Liberal government. But they were not alone. The unions and NDP quickly signaled their support, lauding the Liberals' inclusion of a

handful of NDP “demands.” These included an Obama-style subsidy for employers who hire young people, a lowering of the taxation rate on welfare recipients’ earned income, and a directive to the auto insurance companies, whose profits have soared due to recent legislation limiting claims, to lower their rates by 15 percent.

After Sousa delivered the Liberal budget, NDP leader Andrea Horwath declared, “Our proposals are reflected in the budget. Today we’re not asking for more.” Not wanting to appear too close to an unpopular, scandal-plagued government, she subsequently announced she would consult with Ontarians about their opinion of the budget.

Top union officials were even more effusive in their praise of the budget and are pressing Horwath not to delay declaring that the NDP will ensure its passage. A joint press release from the CAW (Canadian Auto Workers) and the CEP (Communications Energy and Paperworkers) said the “Ontario budget represents an important shift in emphasis by the provincial government and will make a positive difference in the lives of many Ontarians ... [CAW President Ken Lewenza and CEP President Dave Coles] encourage legislators at Queen’s Park to approve the budget.”

For his part, Ontario Federation of Labour Sid Ryan urged Horwath to back the Liberals austerity budget. “She got most of what she was asking for,” said Ryan, adding that “an election right now would be a massive mistake.”

Ryan and the union officialdom are seeking to intimidate workers by pointing to the threat of a Conservative government. Under Tim Hudak, a former member of Harris’ government, the Conservatives have issued a raft of rightwing policy papers, urging privatization of public services, further cuts to welfare and the adoption of US-style right-to-work laws.

According to Lewenza and Coles, workers must sustain in office a Liberal government that is dismantling social and public services and attacking, as under Bill 115, workers’ basic rights, so as “not [to] give Tim Hudak, the chance he is looking for.”

The reality is the three-party system is a ruling class mechanism for defining and asserting its interests, while containing and suppressing the opposition of the working class. The NDP, Liberals and Conservatives all insist that workers’ jobs, wages and rights must be

subordinated to investors’ profits and that the working class must pay for the capitalist crisis through austerity measures aimed at dismantling public and social services.

As for the unions, they have incorporated themselves into management and function to police the working class on behalf of big business. Their response to Hudak’s reactionary plans to try to criminalize workers’ resistance has been to argue that the unions play a crucial ruling in managing labor relations, that is in suppressing the class struggle and preventing the emergence of any political challenge to the unfettered domination of big business.

Only through a political and organizational break with these pro-capitalist organizations will the working class be able to mount a counter-offensive against big business—against the common austerity drive being mounted by the federal Conservative government, Quebec’s Parti Quebecois government and Ontario’s NDP-backed Liberal government.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact