Canada: Conservatives target federal workers in escalation of class war

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Through a measure buried in the fine print of the 2013 federal budget, Canada's Conservative government is giving itself sweeping new powers to intervene in contract negotiations between federally-owned Crown Corporations and their unionized and non-union workers.

The new provision will give Stephen Harper's government the ability to issue direct orders to the management of Crown corporations, like Canada Post, Via Rail, or the Canadian Broadcasting Corporation (CBC), on how they should negotiate upcoming collective and individual job contracts—in other words, how deeply they should cut the positions, pay, and benefits of their employees.

In case an explicit directive from the government does not suffice, the Conservative government is also giving itself the right to appoint a Treasury Board official to attend collective bargaining sessions at any of the 49 Crown corporations. These companies, owned by the federal state but historically operated "at arm's length," employ over 100,000 workers across Canada.

Prime Minister Harper dispatched his Parliamentary Secretary, Pierre Poilievre, to explain the purpose of this change, which was passed over in initial press and opposition reaction to the budget. "Any liabilities from a Crown corporation are passed on to taxpayers," said Poilievre. "We have a responsibility to ensure that those Crown corporations live within their means and that the costs are kept affordable to Canadian taxpayers.

"Our focus is on low tax, low-spending government that eliminates the deficit on time and on schedule and (this legislation) is part of the package to make that happen."

In an interview with the *Globe and Mail*, Treasury Board President Tony Clement emphasized these new powers are meant to help address "a broader issue, which is aligning … public-service compensation and benefits to private-sector norms and expectations."

The Conservatives and right-wing press regularly complain that public sector workers' wage and benefits are "unfair" because they are higher than those paid private sector workers. In so far as this is true, it is because big business has taken advantage of the mass unemployment and economic insecurity created by the worst economic crisis since the Great Depression of the 1930s to slash wages and benefits.

The Harper government has itself played a major role in this. In 2009, it joined with the Obama administration and the Ontario Liberal government in refusing any aid to the financially troubled Detroit Three automakers unless auto workers accepted cuts in wages and benefits of almost $20 per hour per worker.

Making good on the government's stated intention of attacking all federal public sector workers, not just those employed by Crown Corporations, Clement recently announced plans to slash the number of annual paid sick days to which federal government employees are entitled and to institute a new regimen of "performance objectives" and semiannual "performance reviews." According to the treasury board president, the new work regimen is aimed at "boosting productivity and weeding out employees who perform poorly." In justifying it, Clement claimed that in the private sector it is common for 5 to 10 percent of workers to lose their jobs due to inefficiency.

In targeting federal public sector workers and employees of Crown Corporations, the Conservatives have a double objective: to bolster big business' drive to slash workers' wages and benefits and to break worker resistance to the dismantling of public services.

The Conservatives have already launched a massive austerity drive. The 2013-14 budget outlines "cost-savings" of $9.1 billion and plans to slash federal spending by almost $58 billion over the next five years.

Recently released figures from the Parliamentary Budget Office show that during the past 14 months the government has cut its expenditure on federal employees by $1.5 billion, by eliminating the equivalent of 16,220 full-time positions across federal departments and agencies.

While Harper and Clement claim they want to work with the unions to slash federal workers' compensation through collective bargaining, they have already moved to impose

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some changes unilaterally.

Rather than paying into “defined benefit” pension plans that guarantee a fixed payment upon retirement, new hires in the federal civil service are being forced into so-called “defined contribution” plans that tie the pension benefits they will ultimately receive to the vicissitudes of the stock market. The government has also moved to raise the pension contributions of all federal government workers. The assault on federal workers is a key element in the Harper government’s ever-widening assault on the working class. In the two years since the Conservatives secured a parliamentary majority, they have made far-reaching changes to social spending. These changes include:

• Harsh new restrictions on access to Employment Insurance benefits. Repeat users will see their benefits reduced and jobless workers can be forced to take jobs paying up to 30 percent less than their previous employment and at a much larger distance from their residence. Even before these new restrictions were imposed only about 40 percent of jobless workers qualified for EI benefits.

• An effective increase in the retirement age for workers, by raising the age of eligibility for Old Age Security and the Guaranteed Income Supplement (paid to low income seniors) from 65 to 67.

• The imposition of a new federal health care funding formula, the Canada Health Transfer, which will see Ottawa reduce the amount it transfers to the provincial governments to fund public health insurance by an estimated $36 billion over the next ten years. To make up the shortfall, Ottawa is encouraging the provinces to experiment with alternative methods of health care management and delivery, a euphemism for privatization.

The Harper government's austerity measures have been replicated on the provincial level as governments of all stripes—including the Parti Quebecois government of Pauline Marois and the minority Liberal government of Kathleen Wynne in Ontario—have slashed vital social services and attacked the living standards of public sector workers.

Taken together, these measures amount to a social counterrevolution.

After decades of lavishing tax cuts on big business and the wealthy and rationing public services, all the establishment parties now demand that the working class pay for the failure of global capitalism.

Workers across Canada have repeatedly challenged the assault on their social rights, only to be confronted with escalating state repression. Since 2011 the Harper government has routinely illegalized strikes, including against Crown-owned Canada Post and such private sector giants as Air Canada and CP Rail. In May 2012, the Quebec Liberal government adopted draconian legislation criminalizing a province-wide student strike and placing sweeping restrictions on the right to demonstrate over any issue anywhere in Quebec.

These repressive measures alone, however, did not suffice. In suppressing working class resistance, the ruling class has relied above all on the trade unions and their political ally, the social-democratic NDP. The unions at Air Canada, CP Rail, and Canada Post ordered workers to submit to the Harper government's legislative strikebreaking, demanding that workers abide by the law.

The major trade union federations in Quebec similarly ordered their members, including teachers and other education workers, to obey the Quebec Liberal government’s Bill 78, including provisions designed to conscript them into assisting the state in breaking the student strike. Under the slogan, “After the streets, to the Ballot Box,” the unions worked to channel the mass opposition to the Liberals behind the election campaign of the big business Parti Quebecois. Once in power, the union-supported PQ quickly pivoted right and implemented austerity measures even more far ranging than those of their Liberal predecessor, including annual university tuition hikes.

The New Democratic Party, the traditional political ally of the trade union bureaucracy and the Official Opposition, has similarly embraced the politics of “fiscal responsibility,” i.e. government austerity. Under the leadership of Thomas Mulcair, a former Quebec Liberal cabinet minister, the NDP refused to offer even nominal support for the student strike or to condemn Bill 78—cynically claiming that “education is a provincial responsibility” and that the NDP’s “focus” was on “the fight against Harper.”

In Ontario, the NDP is propping up a minority Liberal government that has slashed billions from social spending, frozen public sector wages, and imposed concessionary contracts on teachers by legislative fiat.

Only by breaking politically and organizationally from the unions and NDP and building new organs of struggle—above all a mass workers party committed to resolving the capitalist crisis at the expense of big business through the socialist reorganization of socioeconomic life—will it be possible for working people to answer and defeat the ruling elite’s social counterrevolution.

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