

# Ontario's union-backed government to accelerate austerity drive

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Ontario Premier Kathleen Wynne, fresh from her Liberal Party's provincial election victory last month, has made it clear that public sector workers can expect years of wage freezes and other concessions.

"The budget that we are going to be re-introducing in the next couple of weeks," Wynne told reporters, "is the same budget that we introduced at the beginning of May and there is no new money for wages and salaries. So any group or individuals who supported us, either knew that or they should get to know it now."

The last sentence of Wynne's statement was directed squarely at the many trade union leaders who threw their support behind the big business Liberals, proclaiming that their pre-election budget was the most "progressive" in years.

Having regained their parliamentary majority by cynically posturing as defenders of public services, Wynne and her Liberals will now implement massive social spending cuts and launch a drive, long-discussed in the corridors of government, to privatize and contract out public services whilst expanding their wage restraint program.

This was reiterated by Deb Matthews, Wynne's pick to be Treasury Board President and to oversee public sector contract negotiations. Matthews told the *Globe and Mail* that she expected the unions to "temper" their expectations. However, should they balk at the government's concessions demands, she said she is ready to "stare them down."

The budget the Liberals tabled in May and which was hailed by the unions as the most "progressive" budget in decades stipulates that for three years beginning in 2015 there will be no increase whatsoever in government program spending. Due to inflation and population growth, this nominal spending freeze will translate into real, across-the-board, per capita spending

cuts of 5.3 percent per year or more than 16 percent by 2018.

Ontario, as Wynne boasted during her election campaign, already spends less per capita on public services and social programs than any other province. Moreover, as a result of years of tax cuts for big business and the rich, Ontario now garners the lowest amount of per capita tax revenue of any province—resulting in "structural" deficits that big business and the political elite routinely invoke to justify their demands for further social spending cuts.

This record, and the Liberals' plans for cuts that will dwarf even those carried out by Mike Harris' Conservatives in the late 1990s, did not deter the Ontario Federation of Labour (OFL) from aggressively campaigning for a "smart"—i.e. pro-Liberal—vote on June 12. The OFL and the Working Families Coalition—a pro-Liberal group created in the late 1990s by the Canadian Auto Workers, teachers' and other unions—urged voters to cast their ballots "strategically" in order to prevent the arch rightwing Progressive Conservative Party of Tim Hudak from gaining power. Hudak had called for the elimination of 100,000 public sector jobs and even deeper budget cuts than those proposed by Wynne.

The call for "strategic" voting meant that the unions threw their support and organizational muscle behind Liberal candidates in most of the province's electoral ridings, whilst backing the candidates of the social-democratic New Democratic Party (NDP) in the two dozen or so ridings they already held or were the main competition to the Conservatives.

Prior to the election call, most of the union officialdom had been pressuring the NDP to continue propping up the minority Liberal government, as they had done since 2011. Both OFL President Sid Ryan and

Jerry Dias, the head of Unifor, Canada's largest industrial union, lauded the 2014-15 budget the Liberals tabled in the legislature on May 1 and urged the NDP to ensure its passage.

Ryan glowingly described the budget as an "NDP budget," while Dias claimed that under the "leadership of Kathleen Wynne and NDP leader Andrea Horwath, Ontario has the opportunity to rebuild and ensure all Ontarians can prosper."

Horwath ultimately chose to spurn the unions' wishes and withdrew support for Wynne's minority government, because she feared the NDP's close association with the Liberals would count against it at the polls, with many voters rightly concluding that little separates these two big business parties. Earlier this spring, Ontario NDP leader Andrea Horwath held private meetings with big business representatives to assure them, reported the *Globe and Mail*, of her readiness to do "whatever it takes to bring the province's books back to balance in four years—including cutting government spending and playing tough with public sector unions."

Hedging his bets during the election was Ontario Public Service Employees Union (OPSEU) head Warren "Smokey" Thomas. In the last negotiating round Thomas acquiesced to Liberal demands that the wages of civil servants and other Ontario government employees be frozen for two years. But with the Liberals vowing years more of real wage cuts for OPSEU's 120,000 members, the OPSEU president thought it politic to distance himself from Wynne and her government. Both before and since the election, he has lavished praise on Horwath and her NDP.

In a post-election spat with OFL head Sid Ryan and Unifor chief Jerry Dias, Thomas accused his fellow labour bureaucrats of "selling their souls" to the Liberals.

In a reference to Ryan, Thomas said, "The leader of the labour movement just agreed to four-year wage freezes."

Signaling that his own preference would have been another NDP-supported Liberal minority government or a formal NDP-Liberal coalition, Thomas declared. "We're going to really live to regret that [the Liberals] got a majority government. Kathleen Wynne played parts of the labour movement very well."

An outraged Dias responded by claiming that that the

unions' support for Wynne had saved "thousands" of OPSEU members jobs. He also hailed Wynne's worthless promise not to legislate wage restraint as proof her government will be a worthy partner for the unions.

Seeking to deflect attention from his own union's readiness to collaborate with the Liberals in imposing austerity, including public sector wage and job cuts and the dismantling of public services, Dias pointed to a previously little-known offer from OPSEU and a private sector partner to purchase the Liquor Control Board of Ontario (LCBO)—the government-owned wine and liquor retailer—should the government make good on its threat to privatize it. "Privatization of the LCBO," said Dias, "would mean thousands of OPSEU members would be out of a job—and the people of Ontario would lose a valuable public asset. What in the world is going on when the head of OPSEU is secretly calling for privatization?"

The reality is that all sections of the union bureaucracy and the NDP have been complicit in imposing rollbacks and concessions on public and private sector workers alike and in the dismantling of public services.

The NDP—as even the capitalist press observed—ran its most rightwing election campaign ever. Horwath matched the Liberal pledge to eliminate the \$12 billion annual budget deficit by 2017 and promised to establish a new cabinet post devoted to finding at least \$600 million in additional spending cuts per year. Unable and unwilling to differentiate itself from the anti-working class austerity records of the two larger parties, the NDP focused its campaign on denunciations of Liberal "corruption" and government "waste."



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