

# Canada's prime minister courts global financial elite

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Canadian Prime Minister Justin Trudeau, Finance Minister Bill Morneau, and four other federal Liberal cabinet ministers spent much of last week courting the global financial elite at the World Economic Forum (WEF) in Davos, Switzerland.

Trudeau and his ministers touted Canada as the go-to destination for profitable investment. They lauded Canada as a pro-market, pro-trade, and low-tax country par excellence and argued that the Liberals' "progressive" agenda, including their promotion of "green" businesses and use of identity politics to divert anger over corporate power and social inequality, will only make Canada better for business.

Trudeau's main public event at the forum was a speech he delivered last Wednesday at a panel entitled "The Canadian opportunity." Hailing the "fourth industrial revolution," which was the theme of this year's forum, Trudeau trumpeted the creative potential of the private sector and its ability to produce prosperity, especially when supported by targeted government investment in education and infrastructure.

Appealing to his super-rich audience, the prime minister proclaimed, "We have a diverse and creative population, outstanding education and health care systems, and advanced infrastructure. We have social stability, financial stability and a government willing to invest in the future."

Even as Trudeau enthused over Canada's "financial stability," the country's economy was being roiled by crisis. With oil prices tumbling below C\$30 a barrel and the Canadian dollar mired at less than 70 US cents, the Bank of Canada slashed its 2016 growth projection to just 1.7 percent—a figure nonetheless considered highly optimistic by many analysts.

There had been much speculation that Canada's central bank would halve its base interest rate to 0.25 at its Wednesday morning meeting. But in the end, the bank chose to keep the rate unchanged. The bank feared a further cut would leave it with little "ammunition" in the event the economic crisis deepened and was concerned that a further drop in the value of the dollar—it has lost 20 percent in US

dollar terms over the past year—would only spike inflation and render Canadian corporations more vulnerable to foreign takeover.

The rapid deterioration in the economic situation has thrown awry the Liberals' plans to "kick-start" the economy through a modest program of deficit-financed infrastructure spending. Trudeau and Finance Minister Morneau have admitted that due to falling government revenues and the need to "get shovels in the ground," they will have to breach their election pledge to limit the annual deficit to C\$10 billion per year in the first years of Liberal rule, before returning the budget to balance in 2019. Although they have remained mum on their new deficit-limit, there is widespread press speculation that this year's budget deficit could easily surpass C\$20 or even C\$25 billion.

The Liberals have made clear that their "stimulus" spending will be directed at boosting the profits of Canadian corporations and that the deficits will ultimately be paid for through cuts in social spending. Not only are Trudeau and Morneau committed to maintaining unprecedentedly low taxation rates on big business and the rich, they have pledged to find C\$6 billion in annual budgetary "savings" by their fourth year in government—a target that is now all but certain to be substantially increased.

Trudeau pressed his pro-business message in a series of closed-door meetings with top global corporate executives, including GM Chief Executive Mary Barra. The fate of GM's Oshawa, Ontario, car assembly plant was reportedly discussed, with Trudeau suggesting funds could be made available from a C\$500 million federal government auto industry investment fund if the automaker would agree to maintain production at the Oshawa plant beyond 2017. Barra refused, however, to make any such commitment, as GM intends to use the threat of a plant closure to extort further concessions from autoworkers in contract talks later this year.

Trudeau also had closed-door meetings with executives from Royal Dutch Shell, Facebook, Microsoft, Tata and Novartis.

Referring to the corporate elite gathered at Davos, Economic Development Minister Navdeep Bains told the press, “What they’re looking for is a government that’s willing to work with them, to partner with them. And we made it very clear that Canada is open for business, that we’re a willing partner.”

In a sign of the deepening tensions between the imperialist powers over the wars raging in the Middle East, CNN journalist Fareed Zakaria interrupted Trudeau’s efforts to market Canada to the global financial elite at Davos by raising Trudeau’s election pledge to withdraw the six CF-18 fighter jets that are bombing Islamic State targets in Syria and Iraq. Asked by Zakaria to justify the “logic” of withdrawing the jets, the prime minister reiterated that his government intends to increase Canada’s involvement in the “war on terror”—that is, the imperialist military interventions led by the US and other great powers like France.

“We definitely have much to contribute” in Iraq, claimed Trudeau, “helping local militias and local troops be more effective in the direct fight.” He cited Canada’s counter-insurgency experience in Afghanistan, where the Canadian Armed Forces were a key partner of the US in more than a decade of neocolonial occupation of that impoverished Central Asian country.

The Liberal government is already committed to deploying Canadian military personnel to Iraq in an “advise and assist” capacity, and is reported to also be considering sending military personnel to Libya and/or West Africa.

As would be expected, Trudeau and his ministers sought to conceal their government’s reactionary agenda and utter subservience to big business behind a veil of “progressive” rhetoric. Trudeau participated in a panel discussion on gender parity on Friday, co-hosted by Melinda Gates, the spouse of the world’s richest man, and Facebook COO Sheryl Sandberg. Trudeau touted his “gender-balanced” cabinet at Friday’s discussion, following on from his promotion of Canada in his January 20 WEF speech as a model of “diversity” and a “refugee-friendly” country.

Such claims are entirely hypocritical, to say nothing of insulting to the millions fleeing war and social destruction in the Middle East and North Africa. They come from the head of a government that did not even come close to realizing its pledge of bringing a mere 10,000 refugees to Canada by the end of 2015 and that has designed a discriminatory Syrian-refugee election process that excludes virtually all single men,

The bitter irony of Trudeau’s repeated references to the need to support the “middle class” at a gathering of the super-rich was passed over in silence in the overwhelmingly favourable media commentary. The WEF took place just

days after an Oxfam report revealed that the richest 62 billionaires control more wealth than the poorest half of humanity.

Responsibility for Trudeau’s ability to advance the Liberals as a “progressive” alternative to Stephen Harper’s Conservative government lies squarely with the trade union bureaucracy. The unions mounted a pro-Liberal “Anybody but Conservative” election drive throughout 2015, while the social-democratic NDP repeatedly pledged to form a coalition with the Liberals or prop up a Liberal minority government.

More fundamentally, the unions have suppressed the class struggle for decades, enabling the bourgeoisie to wage a one-sided war on the working class and its living standards.

Trudeau acknowledged as much in his Davos speech with his reference to Canada’s reputed “social stability.” In a gesture that underscores the extent to which the new government depends on the unions to politically smother the working class, Trudeau held a meeting with the top leadership of the Canadian Labour Congress within days of his taking up the reins of office.

Trudeau is deceiving himself, however, if he truly believes that the “social stability” he invoked at Davos will last. In contrast to the ruling elite’s propaganda, which portrays Canada as a kinder, more caring society, the country is riven by ever-widening social inequality. Earlier this month, a study by the Canadian Centre for Policy Alternatives revealed that the top CEOs at Canadian companies raked in on average nearly C\$9 million apiece in 2014, more than 184 times the earnings of an average worker. Moreover, between 2008 and 2013, the top 100 CEOs saw their total compensation rise by 25 percent.

As in the US and elsewhere, workers are striving to break through the obstacles that the unions have erected to their asserting their class interests. In Nova Scotia, the provincial Liberal government brought forward legislation last month to impose a two-year wage freeze, after workers rebelled against union-recommended tentative agreements that incorporated a real wage cut. In Quebec, there is widespread opposition to the sell-out five-year tentative contract the province’s public sector unions have reached with the provincial Liberal government. Delegates from the FSSS (the CNTU affiliate that represents 110,000 hospital and public day-care workers) have voted overwhelming to reject the agreement and for 10 additional days of strike action.



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