

# Alberta's Conservative government tables class-war budget

Janet Browning and Roger Jordan  
31 October 2019

The maiden budget of Alberta's right-wing populist United Conservative Party (UCP) government makes devastating across-the-board public spending cuts.

The budget, tabled last week, was delayed by Premier Jason Kenney until after the October 21 federal election out of fear its regressive, unpopular measures would damage the Conservatives' chances of defeating Trudeau's Liberals.

In addition to punishing spending cuts, the budget imposes numerous increases in user-fees for government services, and slashes corporate taxes.

Kenney's right-wing populist government is mounting a frontal assault on the working class, while whipping up reactionary western and "Alberta First" regionalism so as to deflect anger onto the federal Liberal government and other parts of Canada, especially Quebec. A former minister in the decade-long Stephen Harper-led Conservative government, Kenney has repeatedly accused Ottawa, Quebec and BC of trying to throttle Alberta's energy sector.

The budget effectively freezes spending on health care for the next four years, while cutting government operating-expenditure as a whole by 2.8 percent. It further stipulates that government-spending will be flat-lined till the end of the UCP's current mandate in 2023.

When inflation and population growth are taken into account, Kenney's 2.8 percent nominal dollar cut will translate into per capita spending cuts of well over 10 percent by the end of the UCP's four-year term.

Virtually every area of government spending is severely impacted, from public education and infrastructure to the grants Edmonton makes to the province's municipalities.

Higher education is particularly hard hit. The government is cutting spending on the province's universities by 5 percent in the coming year and intends to reduce it in nominal dollars by 12 percent by 2023.

Meanwhile, Kenney has authorized universities to raise tuition fees by more than 7 percent annually for the next four years, while increasing the interest charged on student debt and eliminating two student tax credits.

No less punitive is the government's indefinite freeze on the inflation-indexing of various government benefits, including the "Assured Income for the Severely Handicapped."

The budget projects that within six months, the province's workforce will shrink by more than 750 full-time jobs, and more than 2,000 by 2023.

The budget provides not a penny through 2023 for wage and benefit increases for public sector workers, who have already been subject to years of wage freezes and "restraint."

The plan is largely based on the recommendations of the MacKinnon report. It was issued last month, by a task force chaired by former Saskatchewan NDP Finance Minister Janice MacKinnon, which Kenney appointed to develop a plan to eliminate the province's \$9 billion annual budget deficit. The task force's mandate explicitly precluded it from recommending any tax increases.

In addition to advocating massive social spending cuts, the MacKinnon report provided a blueprint for deploying the repressive power of the state to suppress working class opposition. This included using strike-breaking laws to criminalize public sector strikes, and invoking the anti-democratic "notwithstanding clause," which allows the federal and provincial governments to pass laws that violate the rights "guaranteed" in the Canadian constitution's Charter of Rights and Freedoms.

In a major provocation, Kenney's government tabled legislation Monday that allows public sector employers to hire temporary strikebreakers, rather than relying on union workers to provide essential services during strikes. And on Tuesday, it announced that it will be seeking a two-percent wage cut when negotiations resume with 180,000 public sector workers.

In a province-wide televised address the day before UCP Finance Minister Travis Toews tabled the 2019-20 budget, Kenney ominously warned, "No number of protests or political attacks are going to push us off course."

The province's deficit and accumulated debt, which the Conservatives have seized on to justify their cost-cutting drive, are the result of the right-wing policies enforced by successive governments, led by the Tories and New Democrats alike. Tax rates on big business and the rich have been held at bargain basement levels—the so-called "Alberta advantage." Low royalty rates for the province's energy sector have also swelled the bottom line of Big Oil.

In the name of making Alberta a magnet for investment, the

UCP government intends to further squeeze government coffers by slashing the corporate tax rate by one-third over the next four years, from 12 to 8 percent. Just in the first year, fiscal 2019-20, corporate income tax revenue is expected to fall by \$700 million to \$4.2 billion

Kenney has threatened still more austerity for the working class, if three planned pipeline projects are not built, and, due to its dependence on the US market, Alberta oil continues to be sold at a discount.

The UCP government is spearheading an intensified ruling-class assault on the working class across Canada. The measures it has announced are akin to those being implemented by Ontario's Progressive Conservative government. Led by the Trump wannabe Doug Ford, the Ontario government has signaled it will criminalize threatened teacher strikes, so as to enforce a dramatic increase in class-sizes and a cut in real wages.

While Trudeau and his Liberals posture as Ford and Kenney's opponents, the federal Liberal government has imposed austerity, slashed corporate taxes, repeatedly enacted or threatened to enact strikebreaking legislation, and further integrated Canada into Washington's military-strategic offensives around the world. With the backing of the unions and the NDP, who both eagerly welcomed its re-election, the minority Trudeau Liberal government now intends to spend tens of billions of dollars on buying new warplanes and battleships. These purchases will invariably be financed through cuts to vital public services.

Kenney's "Alberta First" regionalism dresses up in populist garb the predatory interests and strivings of the Alberta elite, especially the energy giants. They are demanding unfettered development of the Alberta tar sands and the building of new infrastructure to take Alberta oil and bitumen to the world markets.

Kenney and his UCP are stoking anti-Quebec chauvinism and have developed ties to far-right forces. The premier has vowed to hold a referendum in 2021 on equalization—the system under which Ottawa transfers funds to the so-called "have-not" provinces to support public services—unless Alberta's demands for pipeline access and resource development are met. The most right-wing sections of the ruling class have long wanted to dramatically curtail, if not eliminate, equalization as a means to gut what remains of quality public services.

Social reality in Alberta demonstrates that workers have no interest in lining up behind Kenney's regionalism. While oil executives and shareholders have continued to stuff their pockets, conditions for working people have deteriorated rapidly in recent years. The official unemployment rate stands at 6.6 per cent, about 1 percent higher than the national average. Other indicators, such as a spike in suicides, with 11 deaths per day in Edmonton, point to the toll capitalism is taking on the province. For each percentage increase in unemployment, 16 people commit suicide, according to a report

last month from the University of Calgary School Of Public Policy.

Last week, Husky Energy laid off hundreds of workers in Calgary, and two Alberta restaurant chains, Red Robin and East Side Mario's, shuttered their doors, resulting in the loss of hundreds of jobs.

The opposition NDP and the trade unions have predictably responded to the UCP budget with bluster. Declared Alberta Union of Public Employees (AUPE) President Guy Smith, if "Jason Kenney and his government want a war with public sector workers, it's a war he's going to get."

It would be a fatal error for workers to take such pronouncements at face value. During its four years in power, Rachel Notley's NDP government catered to the interests of Big Oil and enforced its own austerity budgets. And the unions ensured that opposition within the working class was smothered, including when the NDP enforced wage freezes.

On the federal level, the same forces claiming to be opposed to Kenney in Alberta are preparing to back a Liberal minority government. While the unions invested millions of dollars in election campaign ads in support of Trudeau's Liberals, NDP leader Jagmeet Singh repeatedly stressed his party's readiness to enter a coalition or some form of working arrangement with the Liberals.

All of this is based on the fraudulent claim that Canadian political life is divided into two camps: The Tories on one side, and a "progressive" camp composed of everyone else. The reality is that the Liberal-NDP-union alliance at the federal level will implement the dictates of big business no less faithfully and forcefully than Kenney is doing in Alberta.

The defence of working people's social rights requires the building of new organizations of class struggle—rank-and-file action committees in workplaces, schools and neighbourhoods, and above all, a mass working class party. The offensive of big business and its political hirelings must be answered through the systematic mobilization of the working class against all job and budget cuts, and through the development of a mass movement for a workers' government and the socialist reorganization of economic life.



To contact the WSWs and the Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**