

# Canada: Alberta Conservatives' austerity drive to exacerbate social crisis

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The devastating austerity measures announced by Alberta's hard-right United Conservative Party (UCP) government in its October budget will exacerbate the already widespread social misery in Canada's richest province.

Major oil corporations are rubbing their hands in anticipation of the billions in additional profits they will reap thanks to the slashing of the corporate tax rate from 12 to 8 percent over the next four years. But for working people the UCP's budget will translate into across-the-board public service cuts, increased fees and taxes, job cuts, and a further boost in poverty and homelessness.

Touted by Alberta Premier Jason Kenney as a "modest" "rebalancing" of state expenditure, the UCP government's austerity plan will slash real-term per capita provincial spending by well over 10 percent by 2023.

Post-secondary education is set to be hardest hit, with the government cutting the Advanced Education Ministry budget by 5 percent in nominal dollars, i.e. before inflation and population growth are taken into account, this year alone. Going forward, college and university students will face the double-blow of steep tuition fee hikes—the budget authorized annual hikes of 7 percent per year for the next three years—and massive cuts to student aid.

In conformity with the budget's provisions, the UCP government has since announced that it will eliminate between 6,400 and 7,400 public-sector jobs by 2023, through service cuts, increased workload, and contracting out. It has threatened even steeper job cuts, unless the province's 180,000 teachers, school board employees, nurses, hospital workers, and civil servants accept wage rollbacks of between 2.5 and 5 percent.

The job cuts will include the elimination of 750 part-time and full-time frontline nursing positions, although Kenney claimed during last spring's election campaign that the UCP's plans to eliminate the annual provincial budget deficit within four years would not impact on any frontline health care positions.

The UCP government is also planning to cut hundreds of K-12 teachers, university instructors, municipal workers, and provincial civil servants, including those working on energy efficiency and innovation programs.

In support of the cuts, Kenney said, "When hard-working Albertans see their incomes shrink and struggle to make ends

meet, they have to face their fiscal realities – and so do governments."

This is a pack of lies. While Kenney intones about the need for "hard-working Albertans" to tighten their belts, his government is throwing billions of dollars at the already fabulously wealthy corporate elite. Reports from the Edmonton-based Parkland Institute and the *Narwhal* show that the top five oil companies in Alberta (Suncor Energy, CNRL, Cenovus, Imperial Oil and Husky Energy) posted a record profit of \$46.6 billion in 2017 and a similar amount in 2018. Moreover, their profit margins far exceed those of most other businesses.

According to Statistics Canada, one in every five working-aged men under the age of 25 in Alberta is unemployed. Unemployment in Calgary, the center of the oil and gas industry, has risen to 7.6 percent, significantly higher than the national average of around 5.8 percent. Meanwhile, the salaries of oil company executives have continued to swell. In 2018, Steven Williams, the now retired CEO of Suncor, posted yearly earnings of \$14.5 million, while the CEO of Cenovus took in \$6.6 million, and the CEO of CNRL netted a whopping \$10.6 million.

More than half of the UCP's job cuts—between 3,900 and 4,900 positions—will be in health care. The government's own job-reduction estimates indicate the cuts will include:

- 2,500 civil service jobs, including from the ministries of agriculture and forestry, environment, health, transportation, and community and social services and from Service Alberta.
- 2,000 to 3,000 Alberta Health Services (AHS) jobs, with the agency potentially contracting out laundry and food services work, "reconfiguring services" at smaller facilities, and closing acute care beds when more long-term care beds open.
- 400 auxiliary nursing jobs as the AHS makes "efficiencies," potentially contracting out more homecare nurses.

The United Nurses of Alberta received a letter saying AHS is also looking to cut 500 full-time registered nurse and registered psychiatric nurse positions, initially through attrition.

Even before the full impact of Kenney's austerity drive takes effect, social conditions for Alberta's working class are already at the breaking point. Personal insolvencies rose by 15 percent over the past year, according to the CBC. The Calgary Counselling Centre, which provides psychological, emotional

and social support, is expecting to field a record number of requests for help by the end of 2019. The organization's CEO, Dr. Robbie Babins-Wagner, said requests for help increased by 25 percent in the first four years after the 2008 economic crisis. She further explained, "If we estimate what that increase will be to the end of 2019, it will be around a 40 percent increase in requests for service. That's really striking in the sense of giving the picture of need out there."

In Alberta's capital city, Edmonton, where unemployment is slightly lower than in Calgary, there are on average 11 attempted suicides per day. Earlier this month a 62-year-old Canadian Armed Forces' veteran, Ken Chan, took his life on the steps of the Alberta legislature. Chan's stepson said he had struggled to find support to deal with the mental health problems, including possibly PTSD, that he was suffering from after 25 years serving Canadian imperialism in its aggression and wars.

Alberta is also being ravaged by the opioid epidemic, with a staggering 1,000 deaths per year attributed to opioid addiction. As part of the UCP's austerity measures, Alberta's municipal governments will have their provincial funding sharply curtailed.

Among many other impacts, this will restrict the amount of money spent on providing support for the homeless.

There are currently about 660 chronically homeless people who are staying in shelters or sleeping on the streets of Edmonton. However, this figure grossly underestimates the extent of the homeless crisis, because it does not include homeless people sleeping in mobile camps or those finding temporary refuge with relatives and friends.

Kenney's savage cuts give the lie to his government's claims to be standing up for "Alberta" and "western interests." The reality is that "western interests" are a euphemism for the insatiable profit demands of Alberta big business, which is insisting on an intensified assault on the working class to boost shareholder payouts and strengthen its "competitive" position on the world market. If Kenney gets his way and the federal equalization program is radically scaled back, it will have a devastating impact on public and social services nationwide and be used by the ruling class across the country to push for privatization and two-tier health care.

The fraud of Kenney's UCP standing up for "western interests" is being legitimized by the trade union-backed federal Liberal government. It has declared that one of its main objectives in its second term is to bolster "national unity" by achieving "common ground" with Alberta and Saskatchewan's hard-right governments.

The New Democrats, which backed the Trudeau Liberals in the new parliament's first confidence vote earlier this month, nonetheless continue to promote the charade of a "progressive" alliance encompassing Canada's social democrats, the Liberals, and the unions.

The trade unions have responded to the UCP's class-war

assault with shrill warnings of social unrest. The leaders of six unions affiliated with the Alberta Federation of Labour told a public meeting in Edmonton earlier this month attended by around 300 workers that a "general strike" is being considered.

This is all hot air. The unions have shown time and again, including through their close collaboration with the 2015-19 NDP Alberta government's austerity drive, that they have no intention of leading popular opposition to the ruling elite's onslaught on public services, jobs and working conditions. As AFL President Gil McGowan commented with regard to the demand for a general strike, "It's a warning that the government would be irresponsible not to heed."

The union bureaucrats' militant-sounding rhetoric is an effort to keep the growing anger against the UCP government under the unions' control and a plea to Kenney and the ruling elite to use the unions' services in imposing the cuts. Their fear is that the miserable social conditions affecting ever wider layers of the working class, and mounting alienation from the entire political establishment, could translate into a political radicalization of workers that would not only call into question Kenney's austerity drive, but the support extended to it by the federal Trudeau government, and the capitalist profit system as a whole.

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