Trade unions confer with big business Liberals on how to revive Canadian capitalism

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Justin Trudeau's Liberal government is claiming that it will outline an "ambitious" agenda to revive the economy, create jobs, support a "Green transition," and address social inequality when Parliament reopens September 23.

This is a fraud. Whatever the hype and spin, the government's real agenda is to enforce a reckless return to work amid the COVID-19 pandemic, boost corporate profitability and "competitiveness," and advance Canadian imperialism's predatory interests around the world through rearmament and the Canada-US military-strategic partnership.

The trade unions are playing a critical role in helping the Liberals promote their phony "progressive" narrative and in crafting their class-war policies. Canadian Labour Congress (CLC) President Hassan Yussuff and Unifor head Jerry Dias met respectively last week with Trudeau and Finance Minister Chrystia Freeland.

Yussuff followed up his meeting with the prime minister by publicly demanding that the unions' New Democratic Party (NDP) allies continue to ensure the minority Liberal government has the votes needed to survive in office.

All this is in keeping with the criminal role the unions have played throughout the pandemic—from their support for the massive bailout of the financial markets and the coming 20 percent cut in financial aid for those who have lost their jobs, to their insistence that educators, meatpackers and other workers forced to work in unsafe conditions amid the pandemic must not take "illegal" job action to protect their health and lives.

According to a CLC press release, at their meeting Yussuff urged Trudeau to support investment in "Green infrastructure," broaden Employment Insurance eligibility, provide job training programs and increase funding for child care services.

Unifor President Jerry Dias' principal concern in his meeting with Freeland was to secure government subsidies and tax concessions for the automakers who prior to the pandemic were making profits hand over fist. "Infrastructure Minister Catherine McKenna and others talk about having billions of dollars for a 'Green transformation,'" said Dias. "Well if you've got it, and you want to play, there's no bigger industry to start than the auto industry."

Dias and Yussuff claim their consultations with government ministers are aimed at advancing the interests of "working people." This is a sham. As their own remarks make clear, they want to ensure that corporate Canada secures enough public funds to remain "competitive" on the world market and can continue to attract investors by providing lavish payouts to their super-rich shareholders. Dias expressed this with his characteristic bluntness on the issue of the auto industry, noting that Canada has seen its global share of auto production slide rapidly since 1999. Stressing that investment in a "Green transition" could turn this around, he added, "The bottom line is the government is going to have to get serious. We're looking at a transformation of the industry."

This is the logical continuation of the unions' corporatist partnership with big business and their alliance with the Liberal Party, the Canadian bourgeoisie's traditional preferred party of government. Earlier this year, the CLC and Unifor were instrumental in creating the Canada Emergency Response Benefit (CERB), which placed laid-off workers on meagre rations of just $2,000 a month. Meanwhile, supported by the unions and New Democrats, the Liberal government, working in concert with the Bank of Canada and other state agencies, forked over a gargantuan $650 billion to the big banks and financial oligarchy with no strings attached.

Making clear that he wants this alliance to continue, Yussuff stressed in an interview with CBC that the NDP has an "obligation" to continue working with the minority Liberal government. This is pushing at an open door. The NDP pleaded for a coalition or other form of formal alliance with the Trudeau Liberal government both before and after the October 2019 election, and has repeatedly provided the votes to prop up the minority Liberal government during the pandemic. On the same CBC radio program where Yussuff urged the NDP to keep the Liberals in office, the NDP's national director, Anne McGrath, said the Liberals would find in the NDP a "willing partner."

Of course, Dias and Yussuff avoid mentioning the fact that the "Green transformation" of industry they so enthusiastically promote will, under capitalism, inevitably be carried out at the expense of the working class. The auto industry provides a stark example of this, since the assembling of electric vehicles involves far fewer and less complex components than traditional vehicles. Providing billions in government funds to the major automakers will thus allow them to accelerate plans that have been long in the making for the destruction of tens of thousands of auto jobs in the assembly and parts industries, and replace them with low-paid, temp and precariously employed workers.

The emergence of Dias and Yussuff as little more than corporate consultants for big business arises out of the unions' reactionary pro-capitalist corporatism and Canadian nationalism. This is not confined to Canada. In Germany, the IG Metall trade union, which is the largest union by membership numbers in the world, is overseeing a similar

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“transformation” of the auto industry, which the union by its own admission expects to cost 300,000 jobs. At the steel company ThyssenKrupp, IG Metall works councillors are personally bullying older, higher-paid workers into taking early retirement to assist the company’s cost-cutting plans. In the airline industry, cabin crew and pilots unions at Lufthansa, Germany’s largest airline, organized demonstrations to support a government investment in the company that was tied to the destruction of 20,000 jobs and the slashing of wages and benefits for pilots.

Under conditions of a deepening global capitalist crisis, which is intensifying competition between the major powers for access to markets, raw materials and spheres of influence, exacerbating inter-imperialist antagonisms and raising the threat of war, the trade unions in every country are determined to prove their loyalty to the bourgeois state. In practice, this means collaborating in the enforcement of stepped up exploitation of the working class at home, and supporting the pursuit of imperialist economic and geostrategic interests abroad.

Unifor and the CLC made clear their readiness to follow this path in a series of joint statements and documents prepared with the government and business organizations during April and May. In one such statement, signed by Yussuff and Canadian Chamber of Commerce President Perrin Beatty on May 11, the CLC and corporate lobby group advanced the corporatist argument that the pandemic has “tied our well-being to one another like never before.” Going on to call for the setting up of a “national economic task force,” the pair continued, “We will enter recovery with substantial new public and private debt. The reversal of decades of economic globalization and international supply chains will create challenges for a trading nation like ours. We will need to revisit policies on health care infrastructure, strategic reserves of key supplies, and ensuring domestic production facilities for critical medical equipment. Canada requires a process to discuss these transformational changes and to avoid stakeholders going off in different directions.”

Making good on their pledge to prevent “stakeholders going off in different directions,” the unions have sabotaged all worker opposition to the ruling elite’s reckless back-to-work campaign. This can be seen most graphically with their smothering of all opposition to the dangerous reopening of schools, which is going ahead in spite of a spike in new COVID-19 infections.

A vital element in the unions’ effort to block the eruption of mass working class struggles is their fraudulent claim that the Liberals represent a “progressive” alternative to the pro-austerity Conservatives.

To be sure, the Conservatives and their new leader Erin O’Toole, speaking for the most rapacious sections of big business, have denounced the meagre aid the Liberals provided the jobless under the CERB as “too generous” and a “disincentive to work” and are demanding a timetable for a balanced budget. But the differences between the Liberals and Conservatives over economic policy are purely tactical. They revolve around how best to boost the fortunes of big business, while preventing the eruption of mass working class opposition and certain sectional conflicts within the ruling elite over energy policy. The latter include whether to prioritize the interests of Big Oil or the development of a major Canadian presence in the lucrative Green industries of the future.

As for foreign policy, both parties are committed to spending tens of billions of dollars on new fleets of warships and fighter jets and stand full-square with Washington in its reckless military-strategic offensives against Russia and China.

Big business strongly backed the Liberals’ management of the first stage of the pandemic, that is, its ability to keep the lid on the class struggle, by enlisting the unions support, while bailing out the financial markets and presiding over job losses that in percentage terms were even greater than the Great Depression. Now the various factions of the corporate elite are pressuring the government to ensure its economic recovery measures are best-tailored to their respective interests, while strengthening the overall global competitive and strategic position of Canadian capitalism.

As Goldy Haider, chief executive officer of the Business Council of Canada, put it recently, “The choice is not spending or austerity. The issue is how much should be spent. Are their limits?”

Past experience has shown that while strict limits are always imposed on spending for health, education and social services, irrespective of which party is in power and irrespective of crying social needs, no restrictions exist on the amount of public funds to be lavished on the corporate elite and the military. In addition to the $650 billion transferred to big business and the financial oligarchy earlier this year, the Trudeau government has continued to implement its plan to increase military spending by over 70 percent by 2026 so as to modernize the armed forces in readiness for waging war to defend Canadian imperialist interests around the globe.

Meanwhile, critical social services have been starved of funding. A recent report by the Parliamentary Budget Office examining federal transfers to the provinces over the past decade found that the Tory Harper and Liberal Trudeau governments slashed a combined $14.5 billion from the equalization payments the provinces use to fund public services. This figure is in addition to the cutbacks in health transfers enforced by the Trudeau government, which followed Harper’s Tories in imposing a below-inflation annual increase of just 3 percent on these payments.

Budget Officer Yves Giroux, who has himself argued that the federal government must rapidly move toward reining in state expenditure, recently observed that due to the economic crisis federal equalization payments will fall even further in the wake of the pandemic, since they are tied to a three-year average of GDP (gross domestic product) growth. This will invariably mean further cuts to the country’s already dilapidated public services.

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