

Alberta's MacKinnon report provides blueprint for austerity and repression

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The Blue Ribbon Panel on Alberta Finances appointed by the province's newly-elected United Conservative Party (UCP) government has issued a 77-page final report that advocates sweeping austerity measures and the use of state repression to enforce them in the face of anticipated mass working-class opposition.

Led by former Saskatchewan Finance Minister Janice MacKinnon, the panel proposes a 20 percent per capita long-term cut in provincial spending, which is to be achieved through draconian budget cuts, public-sector layoffs and wage cuts, privatizations and the elimination of entire government programs.

To meet the UCP's vow to balance Alberta's budget by 2022-2023 will require, the MacKinnon panel concluded, that the government's operating budget be reduced by C\$600 million over the next four years. When inflation and population growth are taken into account, this will mean a cut in real terms of well in excess of 10 percent.

Premier Jason Kenney commissioned the ostensibly "independent" report with the transparent aim of providing political cover for his government's plans to slash social spending and attack workers' rights. The looming prospect of a global recession, coupled with the Canadian ruling elite's inability to build oil pipelines to tidal water due to broad-based popular opposition, have fed the demands of Big Oil, the banks, and other sections of big business for a ruthless drive to dismantle public services, in order to further cut taxes and swell the coffers of the corporations and their wealthy investors.

Kenney and his UCP government have already begun to implement this agenda. Earlier this summer, the government announced that it will slash the corporate tax rate from 12 to 8 percent during its first term in office.

Moreover, in a province notorious for long having Canada's lowest taxation rates on big business, the rich and super-rich, the premier stipulated that the MacKinnon panel could not recommend tax increases as part of a

deficit-elimination strategy.

No facet of government social spending is left untouched in the MacKinnon report's 26 recommendations. Health care, education, public-service delivery, workers' wages, and funding for local authorities are all targeted for devastating cuts.

To order, the UCP-commissioned report paints a picture of a menacing budgetary crisis. It opens by bluntly declaring, "difficult choices and bold actions" are required and "delay will only worsen the problem."

Knowing full well that the savage austerity it advocates will trigger mass outrage and opposition, the MacKinnon report outlines various anti-democratic measures the government could adopt to enforce them. These include legislating a public-sector pay freeze, and using back-to-work laws to criminalize public sector strikes.

Finally, so as to prevent a court challenge to the constitutionality of UCP legislation gutting workers' collective bargaining rights and illegalizing job action, the MacKinnon panel has proposed Kenney invoke the authoritarian "notwithstanding clause." This reactionary constitutional provision allows the federal and provincial governments to trample on rights "guaranteed" under Canada's Charter of Rights and Freedoms, such as freedom of speech, freedom of assembly, and collective bargaining.

It is no exaggeration to call MacKinnon's report a blueprint for dictatorial forms of rule to secure the profit margins and dividends of the super-rich corporate elite.

Alberta's Tory government has been at pains to contain its enthusiasm for the panel's recommendations. Finance Minister Travis Toews responded to the report's release by declaring in an address to the Chamber of Commerce that he is using it as a basis for the UCP's first budget. Kenney has conveniently contrived to delay the tabling of the budget until after the Oct. 21 federal election, fearing that the savage austerity measures it will announce could

damage the electoral prospects of his federal Conservative Party allies.

The measures Kenney and Toews are plotting to enforce are akin to those Doug Ford's right-wing populist government in Ontario has already begun implementing. Since coming to power in June 2018, Ford has imposed sweeping cuts to health care and education, including a drastic hike in high school class sizes and the gutting of the province's post-secondary student assistance program; slashed welfare and legal aid; and weakened labour standards. His Progressive Conservative government has outlawed strikes by two groups of workers and vowed to criminalize threatened strikes by 250,000 teachers and education support staff, who have been working without contracts since August 31.

The developments in Ontario underscore that Kenney's class-war measures are not exceptional. Across Canada and throughout the world, the bourgeoisie is turning to authoritarian methods of rule to gut public services, hand over billions to big business through tax cuts and subsidies, ram through wage cuts, and boost funding for the police and military. From French President Macron's ruthless repression of the Yellow Vest protesters, to British Prime Minister Boris Johnson's suspension of parliament and Trump's whipping up of fascistic forces against his political enemies, the ruling class is rapidly turning to the right everywhere.

The unanimity within the ruling class on the need to implement austerity is highlighted by MacKinnon's own political past. She cut her political teeth in the 1990s as the hatchet woman, i.e., finance minister, in the Saskatchewan NDP government of Roy Romanow, which imposed hospital closures and devastating public spending cuts to balance the budget. In 2014, MacKinnon headed a panel that advised Tory Prime Minister Stephen Harper on economic policy.

The MacKinnon report's long list of reactionary proposals reads like a wish-list of the most right-wing factions of the corporate elite. They include:

- Legislating public sector worker compensation—i.e., imposing freezes and cuts in wages and benefits—by government fiat.

- Using “alternative service delivery”—i.e., private providers—to offer day-procedures and other healthcare services.

- Closing several universities and colleges deemed “unviable” in the future.

- Slashing provincial funding for K-12 education by almost a third, from 25 percent of overall government

spending to 17 percent.

- Lifting the tuition fee cap for students, and encouraging “alternative funding models—i.e., corporate donations,—for universities in order to slash government grants.

- Updating policies on major procurements to ensure “best value for money”—i.e., public private partnerships. This will be overseen by a “procurement council” made up of business and government representatives.

- Compelling municipalities to pay a greater share of major capital investments so that provincial funding can be cut.

- Creating a requirement that Alberta's fiscal policies be reviewed every four years by a private firm, such as the accountancy firm KPMG.

Predictably, the trade unions and NDP have responded to the MacKinnon report with bluster. While they decry the proposals for unprecedented cuts, they are utterly opposed to mobilizing

the social power of the working class, and to making the fight against Kenney's UCP the spearhead of a cross-Canada working-class counter-offensive against capitalist austerity and the assault on workers' social and democratic rights.

It was the NDP, and its trade union allies, who paved the way for Kenney and his UCP to come to power. Elected to office in 2015, after more than four decades of Progressive Conservative rule, the NDP quickly shelved its limited reform promises and enforced the policy dictates of Big Oil and the corporate elite. Indeed, by the time Albertans next went to the polls in April 2019, even right-wing commentators were comparing NDP leader Rachel Notley with the founder of the Progressive Conservative dynasty, Peter Lougheed.



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