RICH CAUSE THE CRISIS, WORKERS GET THE BLAME

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Category: Opinions

By Linda McQuaig,The Toronto Star, 14 July 2009

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Even they seemed embarrassed by their own excess. There were reports of designer shops packaging purchases in plain paper bags.

But as going downscale lost its novelty, the rich have grown weary of their own embarrassment. Gratuitous extravagance is making a comeback. I noticed a Tiffany's ad in a Toronto newspaper last week for a "diamond solitaire on a platinum band of channel-set diamonds. From $3,550 to $1,000,000."
Clearly the rich are feeling good in their own skin again. Public wrath, having briefly nipped at the heels of the well-to-do, has moved on to the heels of the less well-heeled – who also carry plain paper bags, but ones you can eat lunch out of.

And so, as the Wall Street-generated economic storm has squeezed public finances, Toronto's city workers find themselves in the crosshairs.

The striking workers are demonized for wanting to hold onto their benefits, including the right to bank sick days, even though they won this fair and square at the bargaining table. It's just one of dozens of concessions the city is now demanding from them.

Although the strike is a terrible drag for all of us, the city workers are in some ways doing us a service – holding the line against employers taking advantage of the recession to demand concessions (if unions simply give in, emboldened employers will go for more), and taking a stand against further erosion of public services.

Of course, in the media narrative, the workers are the villains. The role of the financial elite in triggering the economic storm is omitted, as is the elite's relentless campaign over the past three decades for tax cuts, which set the stage for today's financial shortfalls.

Responding to this campaign, Ottawa kept cutting taxes (more than $160 billion since 2003), rather than using its massive surpluses for public reinvestment. That meant cuts in transfers to provincial and municipal governments, even as extra responsibilities were downloaded onto them.

By August 2007, crash-strapped Toronto announced an array of cuts that threatened to diminish life

in the city: less snow removal, shorter library hours, delayed openings for skating rinks, etc. Further down the food chain, struggling school boards were closing swimming pools.

In fact, the crunch could have easily been alleviated – if the Harper government had been willing to transfer the revenue from a planned one percentage point reduction in the GST, as municipal leaders across the country pleaded. His October 2007 budget gave the answer: no.

Business groups never mention that tax cuts necessitate cuts in public services. For the rich, it's often a good trade-off; they can buy their own high-end services. But it's rarely good for the rest of us.

As economists Hugh Mackenzie and Richard Shillington showed in a study last April, Canadian families typically get about $41,000 in public services for their taxes, which amounts to "the best bargain they'll ever get."

Meanwhile, provincial Conservative Leader Tim Hudak, sensing the frustrated public might be ready for a Mike Harris revival, has gone after the strikers, suggesting they should "get a grip."

Hudak wants to direct your anger at the people who pick up garbage, rescue animals, run daycare centres – not at those who've spent years pushing for tax cuts that have left our public services underfunded and who now chase the recession blues with million-dollar shopping sprees at Tiffany's.

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