

A 'caring society,' Paul Martin style: *As finance minister, the PM-in-waiting did more to destroy the foundations of medicare than any other politician.*

By Murray Dobbin

VANCOUVER - Listening to prime minister-to-be Paul Martin address the Liberal delegates after his overwhelming victory last Friday, it is hard to imagine what he was actually thinking when he made his many references to building "a society based on compassion and caring; not indifference or neglect." I say that simply because Paul Martin in the 1990s created exactly the opposite kind of Canada, and nothing he has said recently shows any commitment to change it.

Our next prime minister waxed poetic about how the "Canadian people and its (sic) leaders created the modern social foundations of Canadian life -- our pension and universal health-care systems. Foundations which Canadians hold as cornerstones of our national identity, our pride and our values." This statement comes from a man who did more to destroy the foundations of national medicare than any other Canadian politician.

He cut the federal contribution to medicare by 40 per cent and he eliminated the foundation legislation that gave the federal government its leadership role for nearly two generations. The Established Program Funding legislation ensured that provinces spent federal transfers on medicare and post-secondary education. Mr. Martin repealed the law, cutting the provinces loose to spend the money in any way they pleased. He steadfastly refused to use budget surpluses to restore long-term funding to medicare.

Mr. Martin talked repeatedly about the "politics of achievement" and proclaimed, "We have to accomplish great things." What great things? In his speech to the Montreal Board of Trade, he said he would keep a choke-hold on new spending and put any surpluses toward more tax cuts and debt reduction. How can we do "great things" if we have no revenue?

Mr. Martin declared: "I don't believe that trickle-down economics works, or that rising levels of inequality speak to a healthy society." It takes spectacular gall for Paul Martin to utter such words, after he spent the 1990s implementing trickle-down economic policies and increasing the gap between rich and poor: Child poverty increased 60 per cent; the number of millionaires tripled in the 1990s; and we now have general levels of inequality unmatched since the 1930s.

Mr. Martin went on to say that his challenge is to "rally the nation to its unfulfilled promise: To build a society based on equality, not privilege ..." The mind reels. Mr. Martin eliminated all federal funding for social housing; cut what is now Employment Insurance to the point where just one-third of workers are eligible to receive payments; and provided personal income-tax cuts that saw the wealthiest eight per cent of Canadians receive 77 per cent of the benefits.

Perhaps the most stunning statement, given Mr. Martin's record, had to do with conditions of Canadian workers: "We know quality of life when we see people working, with dignity, with good pay, with the opportunity to move ahead." The same day Mr. Martin spoke these words, the Canadian Policy Research Networks released a study revealing the terrible situation faced by Canadian workers. Ron Saunders, one of the authors, said: "A large part of the labour force works for low pay, without representation, and with poor prospects of improving their conditions of work."

Paul Martin's principal labour policy throughout his nine years as finance minister was "labour flexibility," a neo-liberal euphemism for driving down the cost -- and power -- of labour. Mr. Martin accomplished this by savaging UI, repealing the Canada Assistance Plan and deliberately keeping unemployment at nine per cent in order to keep inflation at two per cent or less. The "labour flexibility" goal was described in detail in his "Purple Book" detailing the rationale for his 1995 budget.

He maintained those policies for virtually his entire tenure. What of Mr. Martin's goal of "good pay"? In the 1990s, U.S. workers increased their wages and salaries by 14 per cent while Canadian workers stood still. By the end of the decade, Canada had the second-highest percentage of low-wage jobs (25 per cent) in the OECD. And the new prime minister's concern for "working with dignity"? The National Work-Life Conflict Study, published in 2002 by Health Canada, revealed levels of stress that it described as "unsustainable."

Hundreds of thousands of employees now work overtime for no pay, afraid they will be fired if they complain; one-quarter work more than 50 hours a week. The study's conclusion: "On the individual level, workers' health is suffering. Family life is limited or non-existent ... birth rates are falling, influencing ... everything from local school and hospital viability to the capacity of the future labour force to fulfil what is expected of it." Dignity indeed.

Does Paul Martin even remember what he did as finance minister? Does it matter that his speech is among the most cynical ever delivered by a Canadian prime minister? Probably not. The Canadian media continue to treat Paul Martin with kid gloves. He is obviously counting on it to continue a supportive role.

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His latest book is Paul Martin: CEO for Canada?***