Quebec budget attacks Medicare and other vital public services

By Keith Jones
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With last week's provincial budget, Quebec's Liberal government has initiated a major downsizing of public and social services that will adversely impact working people not just in Quebec but across Canada.

By sharply curtailing spending for years to come, the budget sets the stage for service reductions and job cuts across the public sector. It also increases numerous user fees, charges and consumption taxes, while maintaining in toto the cuts to corporate, capital gains and personal income taxes made by Liberal and Parti Québécois governments alike over the past decade. These tax cuts, like those at the federal level, have been skewed to benefit the most privileged sections of society.

Particularly ominous was the announcement made by Finance Minister Raymond Bachand and subsequently confirmed by Premier Jean Charest that the government is intent on charging Quebecers for doctor and hospital visits. The budget papers suggest that a fee of $25 could be levied on the first 10 medical visits a Quebecker makes in a calendar year.

Under the Canada Health Act, the federal law that governs Canada's public health insurance system (Medicare), user fees are illegal and Ottawa is empowered to financially penalize any province that imposes them. Because of this, the Quebec government is claiming that the proposed charge will not be a user fee, calling it a "health deductible" instead, and has, as of yet, only announced its intention to introduce such a charge.

But no one should be under any illusion. Canada's corporate elite has declared Medicare unsustainable. The Quebec government's announcement is meant to force Ottawa to open a debate on "modernizing" the Canada Health Act. "It's not a trial ballon," insisited Bachand in a post-budget press conference. "It's a decision."

Michael Ignatieff, the leader of the federal Liberal Party, was quick to endorse the Quebec government's proposed new health-care charge. "We," said Ignatieff, "believe, and it is a question of details, that the Quebec proposal conforms with the Canada Health Act."

Quebec has already gone further than any other province in dismantling Medicare. Under the Liberals' Bill 33 a new industry of private insurers and health clinics has been created. When Bill 33 was adopted in 2006, it allowed for the private provision of just three medical procedures. Now more than fifty can be covered by private insurers and purchased from for-profit clinics.

Key budget provisions include:

* A pledge that total government spending will rise by no more than 3.2 percent this year and by no more than 2.8 percent per annum from fiscal year 2011–12 through 2013–14.

(Due to inflation, population growth, and the increased health costs associated with an aging population, these capped increases will translate into substantial spending cuts in real terms. By way of comparison, in recent years provincial spending has grown by an average of 4.8 percent per year.)

* A 4-year freeze in the government's public sector payroll. (This means even the meager 1.5 percent annual wage increases the government has offered the province's half million public sector workers will have to be paid for through job cuts and increased workloads.)

* An increase in the Quebec Sales Tax of 1 percent next January, to 8.5 percent, and of a further 1 percent in January 2012.

* A new "general health contribution" to be paid when income taxes are due and applicable to all Quebecers except the extremely poor. By 2012 the

charge, in effect a flat tax, will be $200 per annum.

* Substantial increases in university tuition fees beginning in 2012.

* A 3.7 percent per year hike in electricity rates for the five years from 2014 through 2018, for a total increase of 36 percent.

In defending his budget, Bachand boasted that the government has proven that it recognizes “no sacred cows.” By this he means that the Charest Liberal government is prepared to challenge the precepts of Medicare, dramatically hike university tuitions, curtail subsidized electricity rates, and otherwise pursue right-wing policies meant to enrich big business and the well-to-do.

For years Quebec’s corporate elite and a raft of retired Liberal and PQ politicians have railed against the “immobilisme” [immobility] of Quebec society, by which they mean the widespread popular consensus in favor of public services and other policies meant to benefit working people and the poor and promote greater social equality.

While the *Montreal Gazette* and a few other right-wing voices have criticized the government for not imposing steeper spending cuts and for increasing taxes, fees and charges incrementally, big business has for the most part applauded the budget. Both the Conseil du Patronat, the province’s most powerful business lobby group, and the Montreal Board of Trade, strongly endorsed the Liberals’ budget.

Quebec’s most influential daily, *La presse*, was ecstatic. André Pratte, the paper’s chief editorialist titled his first post-budget editorial “An historic budget.” “The Quebec middle class,” wrote Pratte, “will be furious to have to pay a few hundred dollars per year to the government. … Quebec must stand fast, so that the province can at last make this historic turn in public finance.”

Alain Dubuc, a former editor of Quebec City’s *Soleil* and the lead columnist in the chain of papers owned by Power Corporation, echoed Pratte’s assessment: “The budget tabled yesterday … is a very austere budget, but also audacious. It proposes major changes and probably went as far as was politically possible at this point … Quebec is eliminating its deficit quicker than elsewhere and its plan for so doing is more credible … Beyond the immediate objective of the fight against the deficit, this budget announces an important change in philosophy.”

The main opposition party, the Parti Québécois attacked the budget from the right. Sylvain Simard, the PQ Treasury Board critic, said the government had failed to deliver on its promise to initiate a “cultural revolution”: “Where is the cultural revolution the minister spoke of? It’s just a plan filling the holes with people’s money.”

To be sure, the increases in taxes, fees and other charges imposed by the budget are regressive. But the “cultural revolution” that the PQ is championing is nothing less than the market principle of “user pay” in which health care, education and other vital services are not basic rights, but rather rationed to the benefit of the well-to-do through fees and outright privatization.

The trade unions, which for decades have collaborated with Quebec big business and right-wing PQ and Liberal governments including in the dismantling of the welfare state, predictably responded to the Bachand-Charest budget by affirming their readiness to keep working with the government.

The leaders of both the Quebec Federation of Labour (FTQ) and Confederation of National Trade Unions (CSN) insisted that the budget would not and should not interfere with the negotiations for new contracts for half a million Quebec teachers, school board support staff, nurses, hospital workers and civil servants. The current contacts were imposed by the Liberals by decree in 2005.

“I’m not scared by what I saw today,” said FTQ President Michel Arsenault. “The ministers I saw yesterday [at a meeting called to break a logjam in the contract talks] seemed to me to be acting in good faith … I like to say the glass is half full rather than half empty.”

CSN president Claudette Charbonneau likewise signaled that her union is ready to negotiate within the reactionary, austerity framework established by the Liberals’ budget: “I wouldn’t say the budget closes the perspective of negotiation. That would be false. All the space is there.”