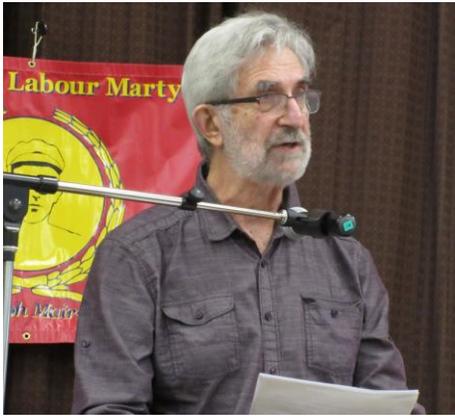


## Talk delivered by Donald Gutstien at the Joseph Maris Memorial January 24<sup>th</sup>, 2016



I'm honoured to be here with you today to remember Joseph Mairs and his fellow miners who fought for basic worker and human rights against the ultimate robber barons, the Dunsmuirs and their allies in the provincial government.

The miners struggles have an important lesson for us today. The Mairs web site says this:

Today our leaders have two paths open to them. One is to follow the spirit of the martyrs, the spirit of self-sacrifice for the common good. The other is to follow the spirit of the careerist, the spirit of self-interest to the detriment of all around you.

Stephen Harper did everything he could to destroy the common good and make self-interest the ultimate Canadian value, to the detriment of all around us. Eventually Canadians had enough and dispatched him. And they replaced him with someone who talks a good game about the common good.

But here's the thing. Harper made changes that will prove difficult to undo. Indeed, some have argued that during his ten years in power, Harper transformed Canada into a profoundly different place. In my talk today I will examine the new government's early moves to see if that is indeed the case. Did Harper profoundly transform Canada? Is Justin Trudeau trapped in a prison of Harper's making? Or is he leading us in a new direction? Well not really new, but one that leads towards our commonly held values of peace, social justice and equality. The way I see it, so far the results are mixed.

To justify this conclusion I will explain the three ingredients of Harperism and assess how much they may or may not be changing under Trudeau.

I'll also discuss the climate of ideas under which politics operates and how a certain set of ideas comes to be accepted by the media, policy makers and ultimately, the public.

The first ingredient is Harper's incremental style of pushing things forward. This is to move carefully, one step at a time, build in small changes that you can then use for further changes.

Incrementalism is one way to radically change society -- a slow motion revolution. The other approach has been called the blitzkrieg—hit them with everything you have all at once—named after the Nazi invasion of Poland in 1939. The opposition will be so shell-shocked it won't know where to turn first.

We've seen the blitzkrieg in Canadian politics a few times – here in BC in 1983 with Bill Bennett's New Reality and the Operation Solidarity opposition, in Alberta under Ralph Klein in 1992, and Mike Harris's Common Sense Revolution in Ontario in 1995.

I think Harper's incrementalism can be more effective than the blitzkrieg because often you don't even know what he's done.

Harper's incremental approach to cutting government revenues is one example. He started out with large cuts to the GST, and followed with dozens of small cuts. The overall impact has been to reduce government's ability to provide programs and services, which must then be provided by the private or voluntary sectors, or not at all. I'll talk about that later, but here it shows how he relentlessly inched his agenda forward. And would have continued to do so if he had been re-elected.

Another example is the immigration file. Harper's approach was to turn immigration policy over to the private sector, one step at a time. The Temporary Foreign Worker Program is a good example. Let employers, and not our elected representatives, decide who should be allowed to come to Canada and become Canadians. Immigration – just another market.

Justin Trudeau, in sharp contrast, goes for the grand splashy initiative, such as his 25,000 Syrian refugee program. Many of Trudeau's announcements have been in this vein. So I'd say that the incremental approach, as a carefully thought out way of furthering a revolution, is dead. At least until Jason Kenney takes over the Conservative Party.

The second ingredient in Harperism is neoconservatism. This is not conservative but radical. It's based on the view that most people are too ill-informed to make good political decisions, so a ruling elite must make them instead. As my book explains, these people decided that the way to maintain a strong society is through traditional social conservative values, religion and perpetual war. Traditional values, religion and perpetual war.

These ideas come from German Jewish political philosopher Leo Strauss, who taught at the University of Chicago for several decades and built a large following in government and academia.

Some of Strauss's students and followers grabbed control of foreign policy-making in the George W. Bush administration and persuaded Americans they needed to invade Iraq, fabricating the evidence for weapons of mass destruction. Sometimes the people need to be deceived to get them to do the things the ruling elite has decided is in the people's best interest, even if it isn't.

At that time, Harper was leader of the official opposition and rose daily in Parliament to provoke outrage over the illusory weapons of mass destruction and persuade the Chretien government — unsuccessfully — to join the coalition of the willing.

Harper was introduced to these ideas at the University of Calgary where students of Strauss's students were teaching in the political science department and assisted Harper and Preston Manning in crafting the structure and policies of the Reform party. It was filled with neoconservative deception. A populist party, but one financed by Big Oil. How deceptive is that?

Once in office, Harper moved forward on neoconservative tenets, making war the default government position. The Harper citizenship guide uses the word war 55 times. The earlier Chretien-Martin guide did not contain the word war. There's Harper's Afghanistan venture, his Middle East bombing sorties and his teaming up with Israel – with Israel as an ally there will always be dangerous enemies to face down. Harper brought perpetual war and the threat of Islamic terror into the country itself and Bill C-51, even if repealed, has subtly shifted the focus of how we view our country and ourselves.

So what has Trudeau done? Religion and social conservative values seem to be out the door. But what about perpetual war?

We don't yet know what the Trudeau government stance towards Israel will be and how the government will view the Palestinians. But Trudeau did approve the \$14.5-billion sale of armoured vehicles to Saudi Arabia where they will be used against its own citizens. And Trudeau seems to be waffling on Bill C-51. Harper played the fear card. What will Trudeau do?

So it's mixed on the neoconservative front. I want to come back to the notion of the prevailing climate of ideas. Neoconservatism was never accepted by most opinion makers,. So it was relatively easy to discard it. This is not the case with the third and most important ingredient in Harperism is his neoliberalism. Like neoconservatism not being conservative, neoliberalism is not liberal. It's revolutionary.

There are thousands of books, articles and blog posts written on this subject, but in my view it can be boiled down to a simple proposition – economic freedom is more fundamental than political freedom. Or the market trumps democracy. It's revolutionary because its ultimate goal is a state governed by market transactions and not our elected representatives.

Just as neoconservatism derives largely from the work of Leo Strauss, neoliberalism also has a founding father –Austrian economist Friedrich Hayek, who equated government planning and oversight—the common good—with slavery and serfdom.

Under neoliberalism, the role of government is not to wither away, but to be like a strongman, creating and enforcing markets and propping them up when they fail, as happened after the 2007-08 financial meltdown. As geographer David Harvey explains, "If markets do not exist (in areas such as land, water, education, health care, social security, or environmental pollution) then they must be created, by state action if necessary." So there's lots for neoliberals to do.

It's fair to say neoliberals believe in government, but have little faith in democracy. Political freedom may not even be necessary, as Milton Friedman often argued. Their ideal state is Hong Kong, especially before it brought in minimum-wage and competition laws.

Stephen Harper wasn't the first prime minister to make the neoliberal turn. It actually started under Brian Mulroney, who adopted the ideology as his guiding light, throwing open the country to foreign investment, eliminating the National Energy Program, transforming the Foreign Investment Review Agency into Investment Canada, bringing in the Canada-U.S. Free Trade Agreement and signing NAFTA.

Neoliberalism became entrenched under the Liberal governments of Jean Chrétien and Paul Martin, as Chrétien signed NAFTA and Chrétien-Martin brought in an era of privatization and fiscal restraint. By the time Harper took over the reins of government, neoliberalism was normalized as the accepted way of running the country. That was Harper's starting point.

Harper was certainly sympathetic to neoliberalism and the economic-freedom agenda. He was introduced to Hayek as a student at the University of Calgary where he read Hayek with political scientist Tom Flanagan. Hayek's work became the foundation of Harper's graduate thesis, and it continued to influence his thinking as he rose from graduate student to the pinnacle of political power. Once prime minister, Harper made economic freedom a centrepiece of public policy. It's still early days but the Trudeau Liberals seem to be falling into line.

Economic freedom means deregulation, removal of public oversight, giving priority to the rights of investors and property owners, removing "interference" from organized workers. Neoliberals see unions as an impediment to the market. Economic freedom is Harper's talisman. And he furthered it largely through his trade deals or, more accurately, his investor rights deals. The Canada-European Union Comprehensive Economic and Trade Agreement, the Trans-Pacific Partnership, dozens of smaller deals, each reducing the ability of governments to protect their environment and workers, and undermining their ability to act in the common good—on purpose! That's how neoliberalism works.

Trudeau likes the TPP and he's already promoting an investor agreement deal with China. The Chinese said "OK, but you'll need to build tar sands pipelines."

The Trans Pacific Partnership will make it even more difficult for Trudeau to meet his carbon emission targets, first because it doesn't even mention global warming, and second, it gives foreign investors the right to sue the government if, say, it imposed a carbon tax or rejected a tar sands pipeline proposal. That's what happened after Barack Obama rejected TransCanada's Keystone XL pipeline proposal. TransCanada sued under NAFTA.

In this key area, Trudeau is not very different from Harper. Neoliberalism is now the default position.

I've already mentioned Harper's incremental approach to cutting government's ability to support traditional social programs and services by starving government of revenues. Harper cut \$45 billion a year from government revenues, and at the same time established the frame that with such a fragile economy balanced budgets are the only responsible course of action. The New Democrats, disappointingly, fell into line. The Liberals said they would stray only marginally from the consensus. No party was prepared to raise taxes. Now Trudeau needs to run larger deficits, but he'll raise taxes only marginally.

Trudeau is doing a good job of focussing our attention on increased deficits, but nobody is talking about the need for increased government revenues. The consequence is that with government revenues at the lowest level they've been at since before Medicare, government will no longer be providing many of the services Canadians have received for nearly 50 years. If government wasn't provide the services, then the market will – at a cost.

Harper also cut government's ability to collect evidence-based, accurate and relevant information that government needs to plan for a wide range of services like housing, transportation, environmental protection and social programs. Here I would include the elimination of the long-form census—which Trudeau says he will bring back, but there's also the closing scientific research stations, shuttering scientific libraries.

Neoliberals fear that scientists will use their knowledge to control government policy, when this should be left to the market. With the consensus on balanced budgets and few tax increases, Trudeau will be constrained in his ability to rebuild Canada's scientific capacity. Some of these things we can never get back. The scientific collective memory is gone. The market may win by default.

Trudeau did appoint a minister of science who actually knows something about science. Nonetheless the question still arises, will the Liberals turn this around or will they go along with the direction set by Harper. We'll have to wait and see.

Harper moved broadly to remove impediments and obstacles to a market-driven society. Here we could include privatizing the Canadian Wheat Board, deregulating energy projects, and removing organized labour from a role in the labour market, at least at the federal level. Regarding labour the neoliberal view is that employment contracts should be negotiated between individual workers and powerful employers and we know how that usually turns out. Bill C-377, which requires all unions in Canada to report virtually every financial activity to the federal government, would give employers an unfair advantage and tie up union staff in reams of paper work. Trudeau made it a priority to announce he will repeal this law.

I also want to mention Harper's tough on crime agenda, a neoliberal staple. Gary Becker's 1968 paper, "Crime and punishment: an economic approach," is one of the most cited papers in academic history. Becker was a colleague of Milton Friedman at the University of Chicago. He treats crime and punishment as an economic calculation in which criminal acts generate benefits (material gain, revenge) and are subject to costs imposed by the state. If the benefits outweigh the costs, the person commits the crime. Governments can increase costs by raising the probability of apprehension – hiring more police – or increasing the severity of punishment. Harper followed both paths, while the NDP's Tom Mulcair said he's on board for at least the first part—increasing the probability of apprehension by hiring more police.

Trudeau was slammed by Harper when he said it was essential to look at the "root causes" of the Boston Marathon bombings. For Harper the goal was a harsher and more punitive system. Is Trudeau hinting at a new, kinder direction that includes prevention and treatment.

And because our prison population disproportionately consists of aboriginal men and women, the fact that Trudeau is reaching out to them is an encouraging sign.

Finally, on the global warming file, Harper's views were well known. Like a true neoliberal, he first denied that it was happening and was simply a socialist plot. Then dragged his feet mightily about doing anything to slow it down. In fact he went in the opposite direction by promoting all the tar sands pipelines.

Trudeau has made big noises about tackling CO2 emissions and limiting global temperature increases to 1.5 degrees Celsius. That's great. But how is he going to accomplish this? An interview with his minister of environment after last December's Paris talks is revealing. Catherine McKenna said repeatedly that a lower carbon economy presents great opportunities for business.

This means that the challenge of global warming will be met, not by us all pitching in and doing what needs to be done to protect the environment, as we did during the Second World War to defeat fascism. It will be done by creating market opportunities. This may be good for business, but is unlikely to come anywhere close to Trudeau's targets.

If you add it all up, there are promising signs of a new direction, but on many of the files indications of a continuation of the Harper agenda. It's a well-known truism that Liberals campaign on the left and govern on the right. The year after the Liberals win an election is an important period to research how they make the transition from left to right by reducing expectations. We can already see it in many ways.

Democracy has been framed as strategic voting, or a new system of voting, or getting more people, especially young people, to vote. That is all important, but doesn't really get at the core problem. Ideas rule politics and ideas change slowly, very slowly. We are faced with a situation in which ideas about the market and self-interest are in the ascendancy. This will change as the limitations of this ideology become more obvious to more people. I am convinced that once again the common good will become common sense as they did for Joseph Mairs and his comrades, and as they continued to gain in power until the 1970s, when neoliberalism began to take over.

But that will take time. We can hasten the arrival of that day by never letting up in our struggle for a better world. We need to call out our leaders, parties and trade unions when they cave in to neoliberalism and propose a move to the centre or a middle of third way. Stop it in its tracks. That approach--the one followed by Tony Blair, Bill Clinton and the New Democrats under Tom Mulcair--will never succeed.

It's by resisting neoliberalism that we can best honour the legacy of Joseph Mairs.