The Logic of Occupy Wall Street for Canada

Protestors at Occupy Toronto rally against growing inequality. Sixty-one Canadian billionaires have a combined wealth of $162 billion: two-thirds of the hands of the bottom 17 million Canadians. Photo by Dave Steele.

By JUSTIN PODUR

The Occupy Wall Street Movement and the Occupy Together movements that are inspired by it actually have a simple premise: society shouldn’t be run for the unrestricted benefit of the wealthiest. The immediate provocation is the 2008 banking crisis, in which the U.S. banks engaged in fraudulent and criminal activity and were subsequently rewarded for doing so with trillions in government funds, while their victims reaped evictions and foreclosures.

Canada did not have a crisis of the same severity, for a few reasons. Canada has a different banking system with a differently-regulated mortgage authority (although there are important similarities in the way the government takes risks and the private banks profit, and the Canadian system is far from invulnerable to crisis). The government is in the mortgage-backed securities business, but not in the totally unregulated way that the business ran in the United States.

Social democratic politics are a little bit stronger in Canada than in the U.S. Because the Conservatives were in a minority government at the time, the other parties were able to wring a stimulus out of the federal government that blunted the recession (the Bank of Canada also provided emergency funds and lowered interest rates to help the banks). But the overall problem is that the banks are putting money in the hands of the richest and the Occupy Together movement should find fertile ground in Canada.

Who Are the 1% Per Cent?
The slogan of Occupy Wall Street is “We are the 99%.” So, who are the 1% per cent? The report by the Canadian Centre for Policy Alternatives (CCPA) by Armine Yalnizyan documents “The Rise of Canada’s Richest 1%.” There are 246,000 of them and their average income is $403,000. They hold 13.8 per cent of incomes, and pay some of the lowest taxes that the top 1% ever have paid, historically.

To look within this 1% per cent (at a tiny fraction of it, 0.0002% per cent) economist Jim Stanford pulled some figures about Canadian billionaires from Canadian Business magazine for the Progressive Economics Forum. There are 61 Canadian billionaires, with a combined wealth of $162 billion (5 times the size of the federal government’s budget deficit). This is 6% of all personal net worth in Canada – they own twice as much wealth as the bottom 17 million Canadians. Their average household income (in 2011) $317,000 per year (which is about $60,000 above the average hourly earnings in Canada grew by 2.5 per cent). On average, the top 1% own 52% of the wealth in Canada (with a household added $524,000).

Through a few other historical accidents, Canada has been spared the macroeconomic aspects of the U.S. financial crisis, but it is hard to dispute that Canadian society is organized to benefit private corporations, and especially finance. The economics of this favouritism has been documented extremely well over the years by the CCPA. A 2010 report by the CCPA’s Toby Sanger, for example, shows how the financial sector has had a 23 per cent profit margin during the past decade, compared to 7 per cent for non-financial industries. Sanger quotes “a revealing back-of-the-envelope calculation” that estimates that Canada’s top banks will be paying back $60 billion in dividends before the end of 2012, the sum of all federal and provincial deficits projected for 2012-13. Corporate income tax rates have been cut from an average of $42.6 per cent in 1990 to 10.2 per cent by 2011, with more tax cuts coming. The cuts in this sector, and the tax havens for the fraction of the 1% per cent, have helped bring about the reverse of government’s plans to close “deficit crises,” which governments then used as pretexts for austerity budgets.

Extremes of Inequality
In a society based on layers of privilege, it is difficult to tell where privilege has been generated and is perpetuated. Another 2010 CCPA report by Daniel Wilson and David McDonald reveals one of these inequalities. The median income for Canadians in 2006 was $27,097, for aboriginal peoples, $18,962, or 30 per cent lower. Scholar Grace-Edward Galabuzi has documented social exclusion based on race and gender. Another report by the Canadian Centre for Policy Alternatives in Canada shows that income inequality in Canada is growing faster even than in the United States. All of these inequalities are within the 99 per cent, which highlights the need for a more equitable society.

One comparison, made frequently in the media, that seems to drive progressives crazy is the one between Occupy Wall Street and Occupy Toronto. The comparison is based on the magical idea that society should be able to understand the Occupy “mandate” if we ask what happens if we do the same in Canada. When Tea Party politics got to Canada they helped elect Toronto’s current mayor and helped give the Conservatives a majority government.

The Occupy Wall Street movement’s arrival in Canada could help disorient the Conservative government and their agenda. The government will be putting forward their next budget, and could help us think about plans to deepen inequalities and destroy what economic, social, and environmental fabric is left.

Occupy Fredericton

(continued from page 1) … our banks and financial institutions that impoverished entire nations. But perhaps the most ironic aspect is that the Third World has been sucked dry, the system is coming home to roost. We only see what others in the rest of the world have experienced for years: the environment, education, health, the dismantling of social programs and the impoverishment of the masses.

Now that we are the ones suffering, we finally realize what this system does to people. Money is what is driving us all toward ultimate annihilation. As far as capitalism is concerned, everything, including our air, our water, our natural world, is a commodity to be sold and bought. Again, money is what is driving us toward our anti-fracking signs with us, as does others. Some people found it amusing when we were talking about anti-fracking, that the movement was unfocused and too diverse, but that’s because today’s attacks on the environment, labour’s rights, education, social security, democracy, peace, etc, can all be traced back to our capitalist system.

This movement is urgent. It is no less than a matter of life and death, for our species and for all life on earth. Chances are, you are part of the 99%. Join us.


Calendar

For details and updated event listings, visit nbmedia.coop To list your event or to receive the Community Calendar by e-mail contact: nzmedia.coop@gmail.com.

Native Awareness Days Lecture by Dr. Roland Chrisjohn, Chisjohn will deliver a lecture, “It’s Not Gonna Happen: The End of Capitalism,” Tues. Nov, 15, 4:00pm. Holy Cross Conference Room. For more info on Native Awareness Days, contact: rollandevecnison@gmail.com.

Rally Against Shale Gas. Sat, Nov 19. Starting at the Old Bural Grounds in Fredericton, sunrise ceremony at 7am and gathering at 10am. March begins at 11am and goes to the NB Legislature, 706 Queen St. Speakers and music. Contact Contact Heathen at thenh69@gmail.com.

Rally Against Shale Gas. Opening day of the NB Legislature, Wed, Nov, 23. 12 noon. Speakers and music. Contact Heathen at thenh69@gmail.com.

2011 YMCA Peace Medallion Award Ceremony. The 2011 Peace Medallion will be presented to Jim Oliver on Nov 26 at 7pm at the Hugh John Fleming Forestry Complex, 1350 Regent Street in Fredericton. All are welcome. When nominated for the award, Jim Oliver was described as an “endearing gadfly to city, provincial, and federal officials. Jon reminds politicians of their responsibilities to the common good. Jon has motivated countless individuals, including many young people, to become politically engaged and active whether it is through participating in party politics or community activism groups, defending civil liberties, advocating for human rights, natural spaces or building community in his neighbourhood.”