

# The Logic of Occupy Wall Street for Canada

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In-depth Report: [OCCUPY WALL STREET](#)

*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 grievance 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.*



"Step Down Lisa Raitt. Ur Killing Basic Human Rights" at the OccupyTO event in St. James Park, October 15, 2011. [More pictures](#).

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 USA. 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, and direction of society, is the same, 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 in Canada? A 2010 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 per cent have ever 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 per cent of all personal net worth in Canada – they own twice as much wealth as the bottom 17 million Canadians. Their wealth increased by 8.4 per cent last year (while average hourly earnings in Canada grew by 2.5 per cent). On average, they added \$100-million per household, while the average household added \$524.

Through a few historical accidents, Canada has been spared the most spectacular 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 leading bank analyst" who estimates that Canada's top banks will have \$40-billion in excess cash by the end of 2012, the sum of all federal and provincial deficits projected for 2012-13. Corporate income rates have been cut from an average of 42.6 per cent in 2000 to 28 per cent by 2011, with more tax cuts coming. The tax cuts in this sector, and the tax havens for the fraction of the 1 per cent, have helped bring about the revenue shortages that are then called "deficit crises," which governments then use as pretexts for austerity budgets.

### Extremes of Inequality

In a society based on layers of inequality, the 99 per cent is itself differentiated. 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.<sup>[1]</sup> And a recent report by the Conference Board of Canada shows that income inequality in Canada is growing faster even than in the United States.<sup>[2]</sup> All of these inequalities are within the 99 per cent, which highlights the need for a more equal society in general. The extremes of inequality are glaring, but these grinding inequalities are no picnic either.

One comparison, made frequently in the media, that seems to drive progressives crazy is the one between Occupy Wall Street and the Tea Party movement, which is based on the magical idea that society should be able to afford things (from roads to wars) without paying taxes. When Tea Party politics got to Canada they helped elect Toronto's current mayor and helped give the Conservatives a boost to a majority government.<sup>[3]</sup> The Occupy Wall Street movement's arrival in Canada could help discredit the austerity that the Conservative government will be putting forward in their next budget, and could help in resisting their plans to deepen inequalities and destroy what economic, social, and environmental fabric is left. •

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Notes:

1. Grace-Edward Galabuzi. [\*Canada's Economic Apartheid: The Social Exclusion of Racialized Groups in the New Century\*](#). Toronto: Canadian Scholars' Press, 2006.

2. Tavia Grant, "[Income inequality rising quickly in Canada](#)," *The Globe and Mail*, September 13, 2011.

3. I don't want to exaggerate this – Canada has always had these politics and there are "home-grown" explanations for these electoral results

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