

**Time for a New Direction for the Economy!**  
**Government Has a Social Responsibility  
to Uphold Public Right**



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**Time for a New Direction for the Economy!**

**Government Has a Social Responsibility to  
Uphold Public Right**

**- Peggy Morton -**

As unemployment rose across Canada in January, Alberta's unemployment rate jumped to 7.4 per cent, the highest since February 1986. Financial analysts declare that Alberta is undeniably in recession, as the latest monthly figures show that 10,000 more Albertans lost their jobs. More than 40,000 people have been laid off in the oil industry, and this in turn has led to layoffs in many other sectors.

As *TML* pointed out at the time, the PCs called the last provincial election early because the private monopoly interests directly running the Alberta government were pretty certain that the oil and gas industry would see far more layoffs and turmoil in the coming year. They wanted to have the election out of the way before the full impact of the crisis was felt. Then they could declare that the situation was worse than anticipated and that even more brutal cuts and austerity measures would be necessary.

While the workers and their allies gave a resounding no to the austerity agenda of the PCs and Wildrose in the last election, the powerful global monopolies that control Alberta did not accept this as a rebuke to their dictate. Far from it, they are doing everything to discredit the government and demand that it carry out the same discredited anti-social austerity agenda, which will only worsen the crisis. As well, they want the government to acknowledge that one of their main duties is to act as salesperson for the monopolies and to make the public treasury available for plunder in pay-the-rich schemes.



**Calgary May Day 2015, days before the Alberta election.**

In this vein, the pipeline and energy monopolies are continuing to put pressure on the federal and provincial governments to transport Alberta oil to tidewater, and to promote such projects as the answer to the crisis in the oil patch. The monopoly media are shouting themselves hoarse that the biggest problem facing Alberta is whether Prime Minister Justin Trudeau and Alberta Premier Rachel Notley are "doing enough" to promote pipelines. Pollsters are working overtime to claim that Albertans have already rejected the NDP government, mainly it seems, because it is not "doing enough" for Big Oil. How pumping yet more oil into the international market is a solution to the problems in Alberta and Canada's economy is not even discussed. The global market is already overflowing with more oil supply than demand. The market price has fallen so far below the price of production that the *New York Times* reports that not a single oil well in the U.S. is making money. They are only continuing to pump to satisfy the demands of moneylenders for a constant flow of cash and to keep up the international pressure against oil-producing countries which the U.S. imperialists want to dominate.

Trudeau journeyed to Calgary recently to meet in private with senior executives from TransCanada, Kinder Morgan, Suncor, Canadian Natural Resources Ltd., Shell, Imperial Oil, Cenovus, EnCana, Husky and others. Alberta Premier Rachel Notley, Federal Natural Resources Minister Jim Carr, Veterans Affairs Minister, Calgary Centre MP Kent Hehr, and provincial Energy Minister Marg McCuaig-Boyd were also at the meeting. A second roundtable took place with executives from the oil servicing sector.

The primary issue for discussion was the approval of the Energy East pipeline, which is routinely presented as a solution to Alberta's difficulties. Trudeau used the opportunity to taunt the former Conservative government once again, saying that Stephen Harper had politicized the pipeline approval process not allowing the regulators to do their work. The head of the Petroleum Services Association of Canada had a positive message regarding Trudeau's willingness to do what it takes to move Alberta oil to foreign markets saying, "[Trudeau] appreciates it, he knows

that it's not an easy task, but he's going to take it on for us. So we really appreciate that."

Alberta Premier Rachel Notley said, "If we are going to be successful in obtaining the energy infrastructure that is so critical to supporting our growth going forward, it is absolutely fundamental that we build a good relationship with the federal government."



Rachel Notley is facing the full assault of those who say that the job of prime ministers, premiers and their cabinet ministers is to act as salespeople for the monopolies and be their avid promoters. This is equated with defending the economic future of Canada and nation-building. Without getting products to market, the story goes, and for the most part those commodities in Canada are natural resources and for export, no future investment and no jobs will be forthcoming from those possessing great social wealth.

The workers are supposed to just accept this direction without question, and hop on board. But amidst all this clamour, the question arises, what does all this have to do with solving the crisis in the Alberta economy? At the very least, one would expect that a pipeline promoted as a nation-building project would be intended to allow Canada to stop importing oil

and ship Canadian oil to its own internal markets. At the very least, it would have received prior informed consent from the Indigenous Nations affected by the project. It would be part of a larger plan to upgrade and refine more oil in Canada and expand the petrochemical industry and associated manufacturing. It would be built with Canadian steel and help ensure the survival of the Canadian steel industry. All of this is what leads to building a sustainable economy for Alberta and Canada and conforms to the demands of the working people.

Energy East is an export pipeline, and a significant amount of the oil it will carry is not even Canadian oil, but comes from the U.S. Bakken Shield, which is described as Canada's chief competitor. The rest will be unprocessed bitumen, or at most partly upgraded bitumen if that technology moves forward. It will result in few permanent jobs. TransCanada and the global oil monopolies will be the biggest benefactors, not the working people of Alberta.

Albertans decisively said no to the previous PC government with their staunch resistance to its hated anti-social austerity agenda and the backward notion that the economy and public authority must serve the interests of the rich and their monopolies who have usurped economic and political power. Now it is even more important to affirm that an alternative exists to neo-liberal globalization and the austerity agenda. A new pro-social direction for the Canadian economy is possible with a diverse, self-reliant internal economy with development of our abundant resources for use at home and in trade for mutual benefit along with increased investments in manufacturing, social programs and public services. With the refusal of the owners of finance capital to assist the working class to build the New, the people have the right and duty to bring financial institutions under public control to realize the immense potential of such a pro-social direction.



The key in the new direction is the conscious participation of the working people in arriving at the decisions on how to proceed. In this way, not only does control shift to the actual producers but the enthusiasm of the people is unleashed as they see that their rights and well-being matter most in the new economy.

Let us reaffirm the stand that favours the workers and their allies, and on this basis continue to build our organizations and capacity to fight for the rights of all and a new direction. This will create public opinion that eventually will become a material force to turn the tide decisively against the anti-social offensive and open a path forward to a pro-social alternative.

***No! to Shipping Raw Resources Down the Pipeline!  
Manufacturing Yes! Nation-Wrecking No!  
No to Handing over Alberta's Resources  
and Decision-Making to Private Monopoly Interests!  
Yes to Defending the Rights of All!  
Who Decides? We Decide!  
Yes to Democratic Renewal and Empowerment,  
a Real Say in Governance and Pro-Social Direction for the Economy!***



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**Restrict the Monopoly Uber! Defend the Rights of All Workers!**

## **Our Security Lies in the Defence of the Rights of All**



How to defend the rights of drivers for hire and their passengers under the new conditions is a serious problem to be addressed. Taxi drivers are very conscious that rights cannot be defended by pitting worker against worker, but only on the basis of restricting the monopolies and defending the rights of all.

Uber's business model is intended to wreck, not co-exist with, the existing taxi industry. It is designed to prey on unemployed and under-employed workers, drive down the living standards of all drivers and the service standards of a regulated industry, and seize value and remove it from the local economy.

Part-time precarious work with no Canadian standard wages, predictable income, regular hours of work, benefits, pensions, or WCB coverage is the neo-liberal way given such

absurd names as "the sharing economy" and aided with the use of new technology. Uber is not about sharing but seizing value from those workers who produce it and their communities.

Uber tailored its business model, especially for the UberX drivers who drive their personal vehicles, to make collective action in defence of rights difficult. For example, drivers can be fired simply by blocking access to Uber's app with no recourse at present. Uber is hyped more as a "gig" than a job so standard wages and working conditions are deemed impossible. The result

is a high turnover of drivers and many who work only a few hours a week.

However, Uber drivers are organizing both in Canada and the U.S. showing that it can be done. Although the vast majority are not unionized, they are organizing themselves to strike by turning off their apps for an agreed upon period of time. Uber drivers in Ottawa are demanding a tip option on the app, as well as increases to the rates, which are now the lowest in the country. Drivers are also questioning Uber's assurances that they are properly insured. It is obvious that current insurance schemes leave them vulnerable in the event of an accident. A group of drivers have threatened that they will disrupt service if Uber does not address their concerns.

On February 1, about 800 drivers rallied in New York City, and on February 2, 1000 drivers formed a caravan in San Francisco. They are protesting Uber's decision to cut fares by 15 per cent. They are also demanding that drivers receive a higher percentage of the fare and that Uber add a tip option to its app. Uber has been increasing its take from 20 per cent to as high as 30 per cent in some cities, as well as reducing fares. As a result, drivers report that they are not even making minimum wage. Many are now further impoverished by sub-prime car loans made on the basis of false promises by Uber about potential earnings. More actions are planned for the week of February 8.

A pro-social alternative is possible for the taxi industry as in every sector of the economy. Establishing a modern taxi industry using the most advanced technology available, which upholds the rights of workers to Canadian standard wages, benefits, and working conditions, is both necessary and possible. To have local transportation value flow into a dark hole to who knows where, filling the coffers of private interests using an app is not a way forward.

Affordable taxi transportation must be achieved by restricting the monopolies and the value they seize not by attacking the wages and working conditions of drivers and unleashing anarchy on the roads. At the very least a local public authority or enterprise acting for the common good and with the support of existing drivers could use the new technology to organize rides and handle payments. Taxi drivers and Uber drivers have a common cause to defend their rights through cooperation and collective action.



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## **Taxi Drivers' Proud History of Resistance**

**- Peggy Askin -**

Cab drivers have waged protracted battles for their rights and to restrict the monopolies. These include the battle to organize collectively and for recognition of their right to form a union. They have fought to restrict the cab companies from flooding the streets with cars. They have defended their rights in opposition to high weekly stand rents, excessive insurance charges, arbitrary firings and many other issues.

In most provinces, including Alberta, the labour boards and courts conciliated with the companies and brokers using the hoax and diversion that taxi drivers are not workers selling their capacity to drive but "independent contractors" without rights under labour law.

In Alberta, the taxi drivers through their organizing and determination to defend their rights forced the Labour Board to relent and recognize their right to form a legal union. In 2011, the Labour Board approved the application of organized drivers in Edmonton and Ft. McMurray to

form Teamsters Local 987.

In Edmonton, drivers waged a protracted fight to restrict the cab companies who had flooded the streets with cabs during times of "bust" making it impossible for drivers to earn a living. In 1995, the number of taxi plates was capped and many drivers became plate owners. Individual plate owners now hold about two-thirds of the plates, while the rest are owned by taxi brokers or multiple plate holders. Plate owners could sell their plates only to other taxi drivers (people with a taxi licence who had driven at least 100 days in the past year), taxi brokers, and individuals who currently own plates. When the city increased the number of plates, they were offered by lottery, open only to taxi drivers working in Edmonton who have never owned a plate.

These arrangements restricted the companies but considerable power remains in their hands. About half of all drivers still rent their cars, either from owner-drivers who work one shift and rent out their cab for the second, or from brokers. Taxi brokers charge about \$475 a week to rent a vehicle, which means drivers say they must work seven days a week as they are earning nothing until they have paid the rent as well as their gas. Drivers point out that the taxi meter rate has remained the same for the past seven years, but this has not stopped the brokers from charging higher rents. As well, drivers face higher prices for commercial insurance rates, repairs, and city fees.

Clearly the situation is not sustainable, in particular with new technology in the hands of powerful global monopolies wrecking havoc with their working lives and public authorities acquiescing to monopoly right. Drivers including those who drive for Uber must work out new ways and means to defend their rights as they have courageously done in the past.



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## **Edmonton City Council Passes Bylaw to Defend Uber's Monopoly Right**

Edmonton City Council voted on January 27, to allow Uber to operate in Edmonton with only minor obligations. The new bylaw comes into force on March 1, 2016, making Edmonton the first Canadian municipality to cave in officially to the U.S. monopoly's invasion into local transportation brandishing new technology as a weapon.

The new bylaw deregulates fares for pre-arranged rides that private transportation providers (PTPs) arrange using an app, with the exception of a mandatory \$3.25 minimum fare. No maximum fare has been put in place and surge pricing is allowed. Surge pricing occurs according to an algorithm set by a PTP company like Uber which multiplies fare prices when demand exceeds the number of drivers in an area at any given time. This received attention in Edmonton after a passenger was charged \$1,114 for a PTP ride on New Year's Eve.

Regulated rates continue to apply for taxis hired through street hails, at cab stands, or through their phone dispatch but these will soon crumble unless defensive measures are taken. Uber and other PTPs cannot use cab stands or accept street hails but why would they when that means the monopoly loses its tight control, which is exercised through the app. The new bylaw effectively removes all the provisions taxi drivers say they have long fought for to guarantee at least a minimum wage for their work-time. These measures included fixed minimum hourly rates to hire a limousine and metered fares.

Uber drivers will have to obtain commercial insurance approved by the provincial government but this is a matter of dispute. Uber insists its Canadian drivers are already fully or properly insured. This is contested not only in Canada but also in the U.S. where Uber has left drivers and passengers extremely vulnerable in the event of an accident. The Alberta insurance industry says personal insurance is not valid if a car is being used for commercial purposes. The insurers insist that Uber and its drivers must buy proper commercial insurance or they will be operating without coverage.



Edmonton cab drivers and supporters rally at the Alberta Legislature, November 16, 2015. (*Driving For Equality*)

Uber will pay \$70,000 in licensing fees a year to operate in Edmonton regardless of the number of vehicles. The city also claims \$.06 per trip. Uber says it will pass these levies on to its drivers. Uber's general manager is enthusiastic about Edmonton caving in to the monopoly and the media pressure to open the city for its predatory business without restrictions. Uber hails the new bylaw as a model for other Canadian cities.

Taxi drivers attended in numbers to have their say in this matter at the January 26 City Council meeting but were eventually forcibly removed by police. A motion was put forward to postpone consideration of the bylaw until after the by-election for the vacant Ward 12 council seat, where approximately 35 per cent of drivers live. This motion was defeated and drivers expressed their indignation, and in a shameful response to their request to be heard, the police were called to clear the Council chambers.

Cab drivers have consistently insisted that Council has a social responsibility to regulate the urban transportation industry so that drivers can at least make a Canadian standard living and passenger and driver safety can be ensured. They point out that with the Wild West Show that Uber and other PTPs run, the new technology is not used to enhance the rights of drivers but is used to put them on the defensive and radically lower the standard of living of workers in the industry. This is shown clearly in the fact that with these foreign monopolies in control, much of the transportation value workers produce leaves the communities where they work. This diminishes the local economy, as it must pay tribute to the dominant empire.

The passage of the Edmonton bylaw is symptomatic of monopoly right running amuck. At the very least, the problem of how to use new technology for the benefit of urban transportation in defence of the rights of all should be considered in broad discussion. Ramming this through City Council under pressure from a mass media blitz and clearing the chambers of those directly affected smack of a political system operating against the public interest. The Uber PTP onslaught using advanced technology is modelled after the U.S. military shock and awe tactics of extremely violent predatory wars and regime change using sophisticated advanced weaponry and psychological operations or warfare, known as PSYOPS.

How does wrecking the existing taxi service and attacking the rights of taxi drivers serve the community and public interest? An alternative using the new technology to enhance public transportation that does not destroy the lives of taxi drivers, exploit PTP drivers, and does not allow transportation value to be sucked from the community can be found through discussion and by upholding the principles of social responsibility and that people have rights by virtue of being human. This means refusing to allow regime change that makes taxi drivers and PTP drivers fair game for the global monopolies under the pressure of pragmatism and PSYOPS that

it may mean lower fares and easier accessibility for a time. To attack and exploit drivers, whether taxi drivers or PTP drivers by giving a monopoly free rein to act with impunity is an affront to any conception of justice and should not be allowed. A pro-social alternative can be found but not by giving in to monopoly right.



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## Calgary City Council Strikes Agreement with Uber

Uber started its UberX service in Calgary in October 2015. UberX connects paying riders with drivers using their own vehicles. Uber began operating despite warnings from city officials that its drivers would face heavy penalties for operating outside Calgary's livery bylaw. The City of Calgary has participated in talks with Uber since 2013, fully informing them of the requirements to operate in the City. True to their business model, Uber was operating illegally, without complying with insurance, licensing, safety and other public regulations.

On November 16, 2015, Calgary city council approved a proposed regulatory framework that would allow "transportation network companies (TNCs)," such as Uber, to legally operate in Calgary and directed the city administration to draft a bylaw.

Under the framework, traditional taxi brokers could charge a flexible rate for fares through city-approved smart phone apps. However, licensed cabbies would have to charge a regulated rate for all street hails or fares ordered through a dispatch centre. TNC drivers would be restricted to fares booked through the app, which must confirm the identity of the driver and passenger, offer an estimated fare and allow customers to reject the ride if they are not comfortable with the rate.

At the same time as the City of Calgary was drafting amendments to the livery bylaw, the City succeeded in obtaining a temporary injunction to suspend Uber operations in the city. In granting the injunction, Justice G.H. Poleman said the city's bylaw had been contravened "deliberately and continuously." Responding to Uber's lawyer, Justice Poleman said it would set a dangerous precedent not to enforce an existing bylaw because the city was in the process of revising the bylaw. "The respondents do not get to choose which laws are out of date," Poleman said.

Uber suspended its operations in Calgary on November 21 and the City of Calgary proceeded with an application for a permanent injunction that would remain in place until all regulatory requirements were met. As the City of Edmonton had failed in its attempt to get an injunction against the company Uber, Calgary's injunction targets drivers. It launched a sting operation and filed an affidavit naming 57 people allegedly caught in that operation. Uber received no penalty for operating illegally, while the drivers it hired were the ones punished.

Uber and the city have now inked an agreement where Uber agrees to suspend its operations and City Hall will halt its pursuit of a permanent court injunction. The suspension of operations will remain in place until a new bylaw is crafted some time prior to February 22, 2016.

Mayor Naheed Nenshi commented, "The funny thing about this is, up until the day they launched, they were working with us on this stuff and then they chose to launch without the regulatory environment in place. And I think, perhaps, they've seen the error of their ways."

The City will now once again collaborate with Uber to develop a new regulatory framework before administration is slated to present changes to the Livery Transport Bylaw in February.



Nenshi said he has always supported innovations and improvements to Calgary's taxi system, but all market entrants must adhere to the bylaw and insurance requirements to ensure a safe and reliable system for drivers and passengers.

Allowing the U.S. monopoly Uber to operate in a city, including the cities of Calgary and Edmonton involves more than the issue of making sure that Uber follows the rules and regulations that are mutually agreeable to Uber and the cities. The social responsibility of a public authority is to defend the public interest and the rights and general well-being of all. The rights of the drivers who provide an important service and have the right to wages and benefits commensurate with the work they perform must not be crushed under the demands of global monopolies using new technology to benefit their narrow private interests.

*(With files from the Calgary Herald, CBC News, and Calgary Metro News)*



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