

April 12, 2018

**For a New Direction for the Economy**

## **Owners of Privatized Government Debt Expropriate \$70 Billion a Year in Interest Payments**



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## **Owners of Privatized Government Debt Expropriate \$70 Billion a Year in Interest Payments**

The accumulated countrywide privatized government debt now stands at \$1.4 trillion. For the global imperialist coupon clippers who own the debt, the amount commands expropriation of \$70 billion in annual interest payments.[1]

Privatized state debt is completely unnecessary. It signals a socialized economy in the grip of a financial oligarchy of global parasites. The billions in interest payments ripped out of the economy from new value workers produce leaves a gaping wound.

The right, left and centre wings of the parties which form a mafia-style cartel in the Parliament stage fights over the federal, Quebec and provincial deficits and growing privatized debts. The centre and left wing of the cartel plead that no other option is available to pay for social programs than state borrowing from the financial parasites and taxation of individual working people with user fees, and sales, income and property taxes. How else to pay the rich and pay for the policy objectives they so crudely announce during elections? How else to pay for the military alliance with U.S. imperialism in NORAD and NATO and the endless predatory and inter-imperialist wars?



The right wing of the cartel bleats in response: we will eliminate the deficit by cutting state spending on social programs and public services. The right wing postures, but without much conviction for eliminating deficits, because its heart and practice in government are for slashing social programs but not in stopping payments to the rich, war spending and free public services to private business interests for which privatized state debt plays a major role.

For the right, left and centre wings of the cartel political parties the words come easily as they are comfortably accommodated within the political process. The thought never occurs to them that a modern socialized economy should not be militarized and organized to pay the rich and defend class privilege. Nor does it dawn on them that control of the economy by global oligarchs and their aim to expropriate as much money profit for the benefit of the privileged few are in contradiction with a modern socialized economy and its actual producers who should be in control and who have rights by virtue of being human, which are inviolable. The imperialist politicians and their fellow travellers find it impossible to break out of their ideological straitjacket because it would disrupt their careers, lives and comfortable thinking they have learned by rote from birth.

Working people can do better. There is no need for privatized state debt. There is no need for taxes on individuals. The economy should function in conformity with its socialized character with each part supporting the other parts and the whole, and thereby unleashing its latent productive power. An end to any new privatized state debt and a moratorium on privatized interest payments to the parasites pending an investigation of the debt's authenticity would do wonders for the economy releasing tremendous energy and growth. Getting Canada out of NATO and NORAD would reverse the trend of militarization of the economy and integration within the U.S. imperialist system of

states. Stopping payments to the rich and increasing investments in social programs would transform the situation for the better.



A modern economy such as Canada's with its boundless resources, socialized productive forces and educated working class has every possibility to meet all its social responsibilities seamlessly without economic crises. Even now the new value workers produce is sufficient for extended reproduction of the economy and to meet the needs of the people as long as that new value is not expropriated by the parasites and taken out of the economy.

Any amount governments or other state institutions may require to meet necessary investments could be met with borrowing from themselves, guaranteed by the future prospect of the new value workers would produce. But for this to happen, each sector and enterprise would have to cast off the disruption and damage caused by the narrow private aim, control and unbridled competition of the rich to expropriate for themselves as much new value as possible.

The financial oligarchs even refuse to engage in a proper exchange of value for what their enterprises receive from the social sectors and public infrastructure. Instead of realizing in a proper exchange the value they receive from public institutions producing educated and healthy workers and infrastructure, they brush it aside as a responsibility of state entities to provide without other parts of the economy realizing (buying) the publicly produced value.

"We'll lend money to the state to pay for the value we receive from public programs, services, pay-the-rich schemes and infrastructure, and happily use the value for free and clip the interest coupons in return," the parasites smugly declare while blocking the modern interconnected economy from functioning as it should and could with the actual producers in control of their work and lives.

Working people are determined to take the economy in a new pro-social direction. Demanding an end to privatized state debt, individual taxation, pay-the-rich schemes and refusal of the oligarchs to realize the social value their companies consume is part of the movement to build the new. It is part of the striving for political empowerment and renewal of the political process. Such demands are the first step in taking control of the economy so that working people can make the leap to directing the economy without crises and war according to their modern social consciousness and outlook for the good of all humanity and the social and natural environment.

***Working People Can Do Better!  
Stop Paying the Rich! Increase Investments in Social Programs!  
End Privatized State Debt, Individual Taxation and the  
Refusal of the Oligarchs to Pay for the Public Value They Receive!  
Organize to Build the New!***



## Note

1. Examples of privatized government debt, which do not include the privatized state debt of federal, Quebec and provincial crown corporations.

## Ontario

Ontario's deficit in its 2018 election budget is \$6.7 billion adding to around \$323 billion of privatized government debt. Interest payments to the financial oligarchy in the 2018 election budget are \$12.5 billion.

## Alberta

Alberta's 2018 budget deficit is \$8.8 billion with accumulated deficits projected to add up to a privatized provincial debt of \$96 billion by 2023. The annual interest payment to the financial parasites is estimated to reach \$2.9 billion by 2021.

## BC

Privatized BC provincial debt to the financial oligarchy is \$45 billion. The privatized BC state debt rises to \$69.8 billion if provincial Crown corporations are added. Another amount owed to the financial oligarchy is "contractual obligations" of over \$101 billion. About \$58 billion of that results from BC Hydro signing long-term electricity contracts with private power companies. Another sizable share represents public obligations under long-term Public-Private-Partnerships (P3s) annual lease payments such as for the Canada Line (Skytrain line in Vancouver) and the Abbotsford Hospital.

## Quebec

Privatized debt is \$185 billion. Does not include Quebec national corporations such as Hydro-Québec's privatized long-term debt of \$46 billion (2016).

## Federal government

Privatized government debt is \$670 billion. 2018 debt service payments to financial oligarchy estimated at \$26.3 billion. Does not include privatized state debt of Crown Corporations.

For further information [click here](#).



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**Bécancour Aluminum Smelter Owners File Spurious  
\$19 Million Grievance Against Union**

**Further Outrage Against Workers,  
the Community and Quebec**

**- Pierre Chénier -**

The owners of Aluminerie of Bécancour Inc. (ABI) on April 3 filed a grievance for \$19 million in damage against United Steelworkers Local 9700 and all its officers. Local 9700 represents the 1,030 locked-out workers at ABI in Bécancour, Quebec.[1]



**March 23, 2018, rally in solidarity with United Steelworkers Local 9700 locked out by Bécancour Aluminum Smelter.**

The owners allege the damage took place from October 5, 2017 to the beginning of the lockout on January 11, mainly from lost production. They accuse the workers of engaging in illegal strike actions, slowdowns, systematic refusal of overtime, gross mistakes, use of bad work methods possibly resulting in "unexplained" breakdowns of equipment, and even dangerous practices from "refusing" to empty overfilled electrolytic tanks.

Workers reject the company complaints with contempt and point to the absurdity of the slanderous allegations. Where was company management when all this supposed sabotage occurred under their noses? Why was no discipline of workers imposed at the time in response to the alleged activity? No mention of these events exists in any worker's record during the entire period covered by the company grievance.



**Alexandre Frechette, President of USW Local 9490, expresses support of the Alma aluminum workers. Signs read, "A better offer must be negotiated" and "There is more than a hidden agenda..."**

With this assault on the workers of Local 9700, the ABI owners are continuing their provocative actions of concocting stories of workers' past bad behaviour to cover up a hidden agenda and to justify their argument that negotiations are impossible. The ABI lockout and company refusal to negotiate have been widely denounced and exposed as without merit. To defend its indefensible position the company turns truth on its head and accuses workers of not responding to discussion and reason leaving it no choice but to resort to brute force such as the lockout and ridiculous accusations of sabotage.

The workers made it very clear that the final offer of ABI of January 10 could serve as the basis of an agreement with further negotiations specifically on the issues of the pension plan, jobs postings and "labour mobility." The company refused to begin negotiations even with the assistance of a mediator and walked out saying it had no authority from its head office to come to any agreement.

What is to be expected from the Alcoa-Rio Tinto global cartel that says the ABI plant needs total restructuring, refuses to negotiate, declares a *force majeure* to get out of paying its electricity bill to

Hydro-Québec, and has now launched a slanderous grievance accusing workers of "sabotaging" production?

The language of the grievance gives some indication of the direction. It suggests that only the regular employees are causing problems while the casual workers are not. The casual workers are not refusing overtime, are not hindering production and so on. Is ABI preparing to hire and deploy more casual workers at the expense of regular workers? In this regard will it make further efforts to criminalize the regular workers and local union officers of Local 9700?



ABI workers are not cowed by the owners and are determined to defend their rights and mobilize public opinion in their favour. They point out that the actions of the ABI owners go against what workers and the people of the region consider to be negotiations in good faith. The owners refuse to recognize and respect the role workers play as producers of huge quantities of new wealth. The portion of new value they produce that remains in the community is mainly workers' wages, benefits, and pensions. Much of the new wealth the owners expropriate is taken out of the community and even Quebec, which makes the workers' claims on the value they produce extremely important for

not just them but the local economy and people.

To deny workers their right to negotiate and have a say in their wages, benefits, pensions and working conditions attacks not only the workers but the economy and people of Quebec. The company's slanderous grievance against the workers and refusal to negotiate are aimed at negating the rights of workers. The owners' actions to negate workers' rights to serve their narrow private interests are similar to a coup against the workers, their community and Quebec and must not pass!

The ABI ownership cartel is using the power of its global empire and influence over various states, including Quebec and Canada, to have its way. How else to explain no government response to the nonsense of the company declaring its own lockout as a *force majeure* to break its contractual obligations with Hydro-Québec. The lost income to Hydro-Québec, according to the calculations of the Quebec Steelworkers, is now close to \$54 million since the beginning of the lockout. The Quebec government caved in to the demand of the ABI owners to put language in the agreement between Hydro-Québec and the company that defines a labour dispute as a *force majeure*, which frees the company from its obligation to pay for hydro power that has been made available but goes unused and unpaid.

ABI workers and the economy and people of the Mauricie-Centre-du-Québec community and throughout Quebec are paying a heavy price for the arrogance and irresponsibility of ABI global owners and the cowardice of the Quebec government to take a stand in favour of the people.

Full support for the ABI locked-out workers and their demand that ABI engage in negotiations with Local 9700 and to come to a collective agreement that the workers consider acceptable!





**Steelworkers website keeps track of money lost to Hydro Quebec and people of Quebec due to the Aluminerie of Bécancour Inc. lockout of its workers.**

## Note

1. For further information on the current struggle of locked out steelworkers of Local 9700 read:
  - "Stand with Locked Out Aluminum Smelter Workers!," *Workers' Forum*, January 18, 2018.
  - "Workers Firmly Declare, 'The ABI Conflict Is Not a Private Matter,'" *Workers' Forum*, February 1, 2018.
  - "Reject ABI's Secret and Self-Serving Agenda and Hold the Global Cartel to Account," Pierre Chénier, *Workers' Forum*, March 15, 2018.
  - "Workers Step Up Support for Locked-Out Workers," *Workers' Forum*, March 22, 2018.
  - "Strong Support from Metallurgical Workers," *Workers' Forum*, March 29, 2018.



## Interview, Clément Masse, President, USW Local 9700

**Workers' Forum:** Aluminerie de Bécancour Inc. filed a \$19 million grievance against Local 9700 and all of its officers on April 3. Can you tell us more about this?

**Clément Masse:** It is a claim for damages that the employer has filed against us. In essence, it reiterates the content of the injunction that the employer obtained before the Administrative Labour Tribunal last November. In its application for an injunction, the employer accused us of work slowdowns and several other illegal acts. We never responded to the content of the injunction application regarding the actions that were imputed to us. We did not want to waste our time arguing whether the content of the actions were truthful. There were no pleadings but the employer still received an injunction saying that workers cannot wage actions in the plant and that the collective agreement must be respected. We did not oppose that, because basically that is what the law says.

Now, the employer has taken the claims made in the argument for the injunction and turned it into a



**Clément Masse greets delegation from USW Local 8644 from Chibougamau who visited Bécancour, March 28, 2018, to offer their solidarity and financial support to the locked out workers.**

grievance, in which it is claiming \$19 million in damages from the union for lost production and profits based on events that occurred in October 2017 and the following months.

In our view, this is a strategic move by the employer that it wants to use as a bargaining tool to weaken the union. The employer probably wants to try to trade the resolution of this grievance for a new offer that will substantially worsen our working conditions.

We deny all the accusations that the employer makes against us in this grievance. We say that it is completely false that the employer lost \$19 million because of us. Moreover, if the workers had caused \$19 million worth of damage, the employer would have done something. They would have laid charges when these things allegedly happened. The employer is saying that these things happened in October and the following months, but they did not take any disciplinary action in the period during which the grievance claims the offences occurred.

In addition to that, the employer operates the plant. They accuse us of not having emptied the electrolysis tanks, but we empty the tanks when the employer tells us to empty them. It is ridiculous to accuse us of not emptying the tanks when they did not ask for overtime, when they did not ask the workers to empty the tanks that had become full to a critical level.

We think they are in need of a reason to justify their lockout. They blame the union for putting the plant in jeopardy, and they say that this is why they locked out the workers. They are having trouble justifying their decision to lock us out.



We are going to defend ourselves. We are not worried about this move. They will have to prove that they lost \$19 million because of us. To cause \$19 million of damage in four months requires a lot of actions and yet there is not a single mention that has been written in the workers' records about the actions the employer claims we have done. The employer says there have been unexplained equipment breakdowns. If they are unexplained, how can they blame the union for them?

We must take into account the timing of their actions. After eight weeks of lockout, they came to the negotiating table to tell us that they did not have a mandate to negotiate and they withdrew their previous offer. Now, after 12 weeks of lockout, they file a grievance for damages. We expect that they will eventually make a proposal to come back to the table and then make an offer that is totally unacceptable and use the grievance as a bargaining chip to push us to accept their offer. Of course the grievance procedure will be dealt with in due course. It will take time. It is going to be settled in the course of the dispute. This is a way that the employer has chosen to put pressure on us and try to divide our members.

**WF:** How is the union continuing to mobilize its members to defend their rights?

**CM:** On the picket lines, we meet our workers, we inform them, we tell them that we are not worried, that we have not created any damage to the plant. It is not us who manage the plant. All that the employer has done is to demonstrate its own mismanagement by filing this grievance and the workers find that ridiculous.

There are also actions coming up. On April 28, on the occasion of the May Day event in Montreal,



we will send a large delegation to participate in the march.

Then, on May 9, we will fill two buses and go to Pittsburgh to demonstrate in front of the hotel where Alcoa's annual meeting of shareholders is taking place. We will also have a delegation inside to speak and denounce the conflict, to inform the shareholders of the conflict. It is a ridiculous decision that the employer has taken, which means a loss of money to the workers, the community and the shareholders.

Meanwhile, we continue to ask that the employer come back to the table. We are still saying that the dispute is going to be settled at the bargaining table. We expect the employer to table an offer at some point. We say we have to finish the negotiation, that it is the employer who left the table. The conflict will end at the table and it will take a negotiated settlement, which is acceptable to the workers.



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## **Anti-Worker Machinations of Iron Ore Company of Canada Company Cites "Essential Services" to Delay Strike in Sept-Îles**

Acting with blatant self-interest and without regard for the rights of workers, the Iron Ore Company of Canada (IOC) has intervened to block a strike at its rail and port operations in Sept-Îles, Quebec. The workers took a strike vote on March 28 and 29, massively rejecting the company's final offer. The strike was to begin April 10.

The law requires that the union and corporation come to an agreement on essential services before a strike begins on the railway from Labrador to Sept-Îles. IOC has blocked coming to an agreement claiming that transportation of iron ore from Bloom Lake mine, which is part of a contract it has with the Minerai de fer Québec, should be considered an essential service.

The union rejects the inclusion of the movement of ore from Minerai de fer as essential. "For us, as a union, we know that this is not even close to an essential service," said Dany Maltais, the Steelworkers representative on Quebec's North Shore. Since no agreement has been reached between IOC and the union, the Canada Industrial Relations Board will settle the issue, something that is likely to take weeks. (Since their work takes them across the border between Quebec and Newfoundland and Labrador, the workers are covered by federal labour legislation.)

IOC's arrogance is such that it claims its private interest to expropriate profits from moving ore from other mining monopolies should be considered "essential." In sharp contrast, when monopolies such as IOC decide to halt the extraction and transportation of minerals to serve their private interests and against the interests of entire communities, the words "essential service" never pass their lips. The only essential issue for them is the right to exploit the raw material and work-time of working people to expropriate as much new wealth as they can however and whenever it suits their narrow interests.

Monopolies insist their demands and dictate must be the law under all circumstances even if this negates the rights of workers. The working class rejects this with contempt. IOC is trying to cause workers problems to prevent them from organizing an effective strike to put pressure on the company to reach a negotiated settlement suitable to workers both in Sept-Îles and Labrador City, where workers have been on strike since March 27 against two-tier working conditions. Workers

across the country should raise their voices to denounce IOC and support the over 1,700 fellow workers of USW Locals 5795 and 6731 in Labrador City, and Local 9344 in Sept-Îles.



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**Nova Scotia Public Sector Workers Fight for Their Rights**

## **Nova Scotia Council of Health Care Unions Prepares Strike Vote**

**- Interview, Jason MacLean, President, Nova Scotia Government  
and General Employees Union -**



**Health care and other public sector workers oppose enactment of anti-worker Bill 148, outside opening of Nova Scotia legislature, September 21, 2017.**

The Nova Scotia Council of Health Care Unions is proceeding with the first ever province-wide Health Care Bargaining Unit strike vote to oppose the wrecking of health care by the anti-social offensive of the McNeil government and defend the rights of the health care workers. *Workers' Forum* talked to Jason MacLean, President of the Nova Scotia Government and General Employees Union (NSGEU), about how this work is going. The Nova Scotia Council of Health Care Unions is made up of the NSGEU, the Canadian Union of Public Employees (CUPE), Unifor, and the Nova Scotia Nurses' Union.[1]

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**Workers' Forum:** NSGEU, as part of the Nova Scotia Council of Health Care Unions, has begun the process of holding membership meetings across Nova Scotia in preparation for a strike vote in the current round of negotiations with the provincial government and the health care authorities. Can you tell us more about it?

**Jason MacLean:** We mapped out the rest of April to reach out to our members. I feel it is very important to have a face-to-face with the membership. It has been four years that they have been without a contract. We want a strike vote but it has to be an informed vote and the members have to

be confident that they are making the right decision.



At the beginning of April, we had two telephone Town Hall meetings. They were very well received, very positive, and what I got from my members is that "Okay, now is the time to go down this road." What they are trying to do is protect what they already have. This is not even speaking to any type of gains. This is about protecting the collective agreement because the employer sees this as an opportunity to tear up provisions that they have in their agreements.

Every night except for one over the next two weeks I will be meeting my members face to face to discuss the state of health care, to discuss the state of bargaining and ask for a strike vote. This is going to go right up until April 24. This is something that I take very seriously. What we are going to do is open up the strike vote on April 23,

we are going to do an electronic vote. People are going to be able to vote from April 23 to 30 and we are going to have the results by April 30.

As far as NSGEU is concerned, this makes 15 meetings. Meanwhile, CUPE, Unifor and the Nova Scotia Nurses Union are doing the same. There are 6,500 health care workers that are involved in this process.

**WF:** In a press release, NSGEU stated that the negotiations are not going well. Can you explain?

**JM:** We were hoping that things would change for the better but they regressed. I can give you one example. The employers tabled a new proposal around mobility that would allow them to transfer employees around the province to where they think they are needed. If they feel that they need a worker in an area, they want to be able to tell a worker that may live in a totally different area that they are going to move him or her for a certain amount of time to that location. There are a lot of things that are wrong with that situation. That could break up families. That could cause undue stress on the worker. What they need to do is hire enough people to do the work in all areas. They have cut back on jobs in certain areas, or did not fill jobs. What they need to do is fill those jobs. We, the unions, as a Council, do not agree with that proposal. That is something that is a true sticking point. We talk about work-life balance. What kind of work-life balance are you going to have, or work balance for that matter, when you are bounced all over the province? That is a non-starter.

Another issue in these negotiations is Bill 148, which freezes the wages of all public sector workers of the province for the first two years of a new contract and provides minimal increases in the third and fourth year (zero per cent in year one, zero per cent in year two, one per cent in the third year, and 1.5 per cent in the fourth year, with an additional 0.5 per cent on the last day of the fourth year). The bill also froze the retirement allowance for all public sector employees effective April 1, 2015. All this applies to the health care workers that are currently into bargaining. We are already moving backwards going into bargaining and the employer wants to try and exploit other pieces.

**WF:** NSGEU speaks about a crisis of the health care system in Nova Scotia.

**JM:** Yes. People do not have family doctors. They show up to the Emergency Department sicker than before. Hospitals are short-staffed so there is a huge backlog of families who need care sitting



in emergency departments. They are even sitting in parking lots waiting to be seen. In some instances, they are waiting up to an hour and a half just to be triaged. A lot of times they are being sent home. Also that becomes further complicated because 20 per cent of people that are in hospital beds really need to be in long-term care. Premier Stephen McNeil has not built one long-term care bed in his 10 years in office. We have sick people that are left in hallways because there is no place to put them. People are leaving the Emergency Department to call 911 because they are so desperate to get the care they need. We have over 100,000 Nova Scotians without a family doctor. Emergency room closures have increased under the McNeil government by 50 per cent. The surgical wait times are the worst in Canada. Our health care workers are among the lowest paid in the country. That is a retention issue because people are leaving the province to go work elsewhere. The government denies that there is a crisis. Our health care workers are telling us that this is the worst they have seen in 20 years but the McNeil government continues to deny this crisis. If that is not a crisis I do not know what is.

And in all this, while the health care system in Nova Scotia is in crisis, we have our members who are without a contract for four years and had legislation imposed on them, but they are still keeping the health care system together. I commend them on their commitment and professionalism. The government is showing them no respect but they are still keeping the system going.

**WF:** Would you like to say something in conclusion?

**JM:** We want the members to give us a strike vote because we want to put pressure at the bargaining table. I am also meeting the members face-to-face to commend them on the hard work that they have done to keep things together. They have done a great job and I want to let them know that NSGEU, their union, will continue to represent them to the fullest, standing strongly by their side.

## Note

1. For more information, see "[Strike Vote Announced by Nova Scotia Council of Health Care Unions](#)," *Workers' Forum*, April 5, 2018.



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