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**An Economy Not Under Human Control**

**Price Inflation and Scarcity**

- *K.C. Adams* -



People are shocked when shopping, whether for groceries or anything else. Having gone through a difficult two years of the pandemic, now this, price inflation and scarcity.

Prices are up across the board with only the price of the capacity to work lagging behind. People would be excused for questioning what is going on. Why does the economy lurch from crisis to crisis? Why, in this modern age when we have Artificial Intelligence, robots and space travel, is the economy always out of control and said to be mysterious, unknowable and untouchable? The economic experts trip over themselves to be heard but fail to come up with any solutions. They just describe what is obvious to all.

The ruling elite use their political and economic power to block the people from discussing, let alone

engaging in acts of finding solutions. They say a mysterious hand controls “the market” and speak of the economy as if it is equivalent to “the market.” But this “hidden hand of the market” doesn’t sort anything out. Just as in nature nothing can be sorted out on its own if it is to serve humans and their needs. It requires conscious human intervention. But that is not the case now with the economy.

First, the ruling oligarchy dominates the economy and twists it to serve its narrow private interests and interferes with all the disparate sectors and parts preventing them from working together. But this modern economy is socialized and must work together in harmony not only in one country but globally with all humanity.

One sector or part relates to all the other parts and the whole and all the people. The numerous sectors and parts are interconnected and involve all the people in a great whole. But the oligarchs do not want any interference with their particular privately-owned part of the economy. They view others with hostility as competitors and want them to serve their wealth and power. Their control of private property and their self-centred actions to serve their narrow private interests affect us all and leave us and the economy vulnerable to the vagaries of nature. The people themselves need to engage in conscious human intervention to bring all the parts and sectors of the economy under control with a broad outlook of the modern human being to serve all individuals and their collectives.

“Just in time” manufacturing and distribution means that the slightest interruption leaves scarcity. Imperialist globalization and intense competition for markets, raw material, cheap labour and means of transportation to transport goods have degenerated into pointing fingers at competitors to the point of war and subjugating entire states through brutal sanctions, brinkmanship and war.

Problems such as the pandemic spiral out of control because the people are not in control. The ruling elite refuse or are afraid to mobilize the people to deal with the problems while the oligarchs themselves only see their private interests as important and how their interests can be served even in crises such as the pharmaceutical cartels making a killing from the sale of vaccines.

The ruling elite flood the economy with money to pay the rich and prepare for war using money that governments do not have and mostly borrow from private moneylenders. Dollars chase scarce commodities. Military spending spirals to new records. Defending private property is the highest priority not the people’s well-being or the well-being of the economy from an objective standpoint. Then when the inevitable crisis breaks out the hand wringing starts and the crocodile tears begin to flow and cries ring out that nothing can be done, just tighten your belts and sign up for war.

When the interruption is a natural disaster like floods and heat domes in BC, the lack of preparation means vulnerable people die from the heat or inundations or homelessness, and a broken transportation system and lack of material insurance means scarcity and empty shelves and people wanting even for the necessities of life.

Maybe the problem is not the economy at this point because the people have no power over fixing it. Maybe the lack of control over the economy is the problem. Under the dictatorship of the oligarchs the people are plagued with disinformation and discouraged from discussing solutions among themselves with objectivity of consideration taking into account the factors causing problems and how to act upon what they discover to change the situation for the better.



No matter how much the trained experts of the ruling elite describe the situation and problems in the economy until the cows come home, it doesn't amount to a pile of beans. This is because those in control do not what to hear it and do not want to solve the problems because the economic problems begin with them and their control.

The facts reveal that the time is now to build the new. The people do not need permission from the oligarchs to organize themselves for democratic renewal and to bring the economy under conscious human control. It can be done! It must be done!

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## Government Handout to Algoma Steel Solves No Economic Problem

The ruling elite declare that paying the rich with public funds and allowing them to use federal bankruptcy protection to walk away from obligations solves economic problems and brings wealth and prosperity to the people. The public payments to private enterprise are said to have a ripple effect that generates wealth, which trickles down to working people in jobs and security of wages, benefits and pensions. By paying the rich and having their private enterprises hire workers, governments declare problems solved and an end to the recurring economic crises.

This has not been the case. The actual experience in Canada has been quite the opposite with paying the rich and bankruptcy protection leading to a weakening of the local economy and nation-building, and wealth and power becoming more concentrated in a global oligarchy that is not accountable to anyone for its actions and whose aim is self-serving to say the least.



Handouts to oligarchs in New York will not solve problems in Sault Ste. Marie

Ross Romano, the Conservative Member of the Provincial Parliament for Sault Ste. Marie recently declared that the Algoma Steel investment in electric arc steelmaking proves the company is healthy again. In fact more than half the \$700 million investment, an amount of \$420 million, comes from the federal Liberal government with Romano suggesting additional money will soon be available from the Ford provincial government. He told Soo Today that electric arc steelmaking (EAF) “could lead to a return of economic prosperity for Northern Ontario.”

For steelworkers and others in the region, whether EAF is a positive development for the local economy is not the pertinent issue. The main issue is who controls its introduction; who has the decisive say over the transformation; who pays for the new means of production, and who benefits from the result.

Romano is the Ontario Minister of Government and Consumer Services. He was joined by three other Ontario cabinet ministers for a press conference at Algoma Energy to announce the coming “good times for Northern Ontario.” He reminisced that back in the 1980s his father, grandfather and two uncles were among the 12,000 steelworkers relishing the “good times” of old before Algoma Steel collapsed into bankruptcy in 1993.

“If you lived in or around Sault Ste. Marie at that time you either worked at Algoma Steel, you were related to somebody who worked at Algoma Steel, at a minimum you knew someone who worked at Algoma Steel. Back then things were very good for Algoma Steel and very good for Sault Ste. Marie, too,” Romano is quoted as saying.

The “good times” evaporated in economic crisis not once but again and again. “By the time I started my first year of high school in 1993, Algoma Steel was going through its first bankruptcy restructuring proceedings,” said Romano. “That would be the first of three such proceedings in as many decades. Things in Sault Ste. Marie and all of Northern Ontario had taken a serious decline.”

Romano told the press conference, “This [\$700 million EAF] demonstrates that Algoma is healthy again [...] that our economy can become healthy again and as our economy in Sault Ste. Marie and across all of Northern Ontario becomes healthy again, so too can our communities have a chance at becoming healthy again.”

Romano said other provincial government “investments” in Algoma Steel in 2018 to rescue it from bankruptcy protection allowed the private owners legally to walk away from paying down steelworkers’ pension plans. Additionally in 2019, they received a \$60 million government payment, which according to Romano “led to the conditions that made this newest project possible.” Other payments to the company are for the use of government money and facilities to teach workers the skills they will need to operate the EAF means of production.



These government payments and the legal manoeuvring under *Companies’ Creditors Arrangement Act* (CCA) bankruptcy protection since 1993 have not solved problems or prevented recurring economic crises in Sault Ste. Marie and throughout Northern Ontario. They have allowed the rich to “walk away” with their pockets full and relieve them of their obligations to workers, pensioners, local suppliers and even certain investors who lost much during CCA bankruptcy.

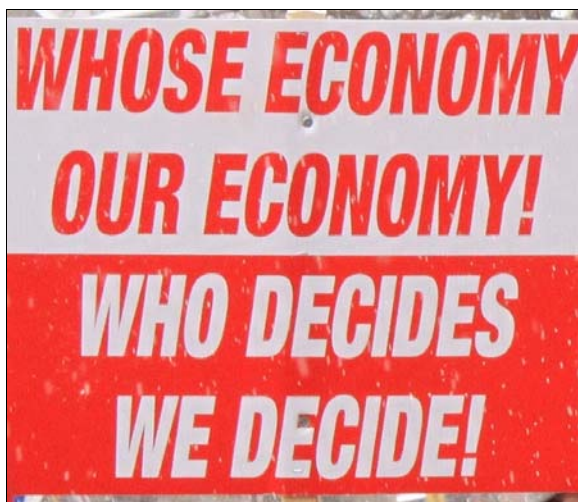
Mike Da Prat, President of United Steelworkers Local 2251, spoke to the situation after hearing of the government payment allowing Algoma Steel to convert to EAF steelmaking. He said steelworkers had not been consulted or even informed of the decision, while they will be the ones most directly affected in terms of necessary training, possible loss of employment and other factors during the transition.

With regard to solving economic problems through CCA and handing public funds to private interests, President Da Prat said, “At Algoma, we have been through three CCAs. We were presented by management with decisions we were told were for long-term solutions to our problems. Whatever management says is for our benefit, it is not. They make big money, they accumulate debt, they do not pay down the pensions and then they can’t carry on. They can’t pay what they owe, they say. Then the reset takes place at the expense of workers and taxpayers, and then we go through it all again. They are telling us that this new project will be good for the long term. That is the exact same thing that they have told us each time.”



So long as workers do not exercise control over the direction of the economy, the global oligarchs will continue to disrupt people's lives, enforcing their aim of maximum private profit for themselves, expropriating the bulk of the new value workers produce to be used anywhere in their global private empires, not to meet the claims and needs of those who live and work in the local communities or fund other important features of nation-building for the common good.

A new direction that solves the problems in the particular and general economy can be found by those who do the work and live from the economic value they create from their work and not from exploiting others. Elevating the position of the working class to one of control and decision-making would bring a new and dynamic quality and aim to the economy that would open the door to solving its problems.



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