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Privatization of Public Infrastructure
Canada Infrastructure Bank
and Pay-the-Rich Schemes



Governments' Destruction of Forestry Industry and Natural Environment

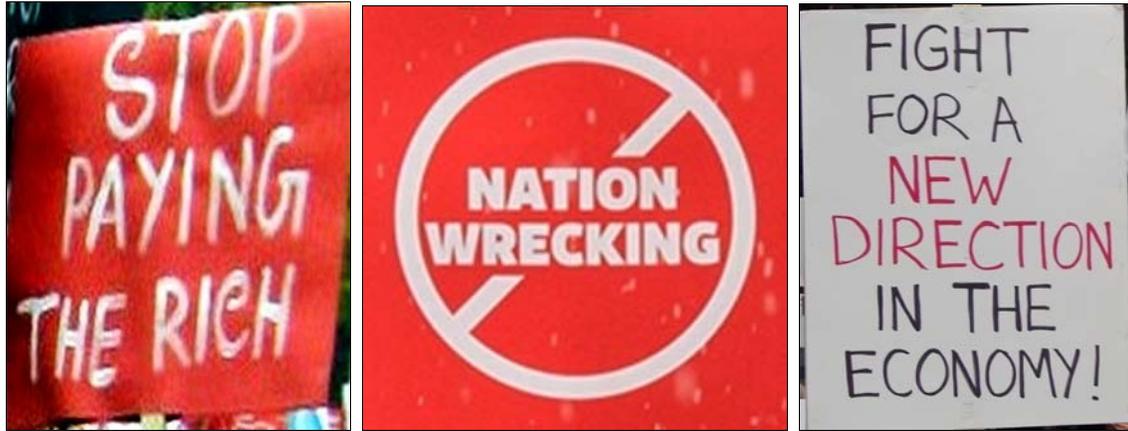
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Privatization of Public Infrastructure
Canada Infrastructure Bank and
Pay-the Rich-Schemes

The Trudeau government insists all loans from the Canada Infrastructure Bank (CIB) for public works and services must include an agreement to hand over local control and future revenue to a public-private-partnership (P3). This demand for privatization is yet another scheme to pay the rich. For the global monopolies and cartels, P3s are a guaranteed source of risk-free profit and a path towards greater control of the economy.



The CIB has \$35 billion in public money available for infrastructure development and maintenance, which municipalities, Quebec, the provinces and territories badly need. The Trudeau dictate to "partner" with powerful private interests if local governments want a CIB loan is a wedge into privatization of existing and future public works with the attendant loss of public revenue and control.

Privatized public works mean in practice that private interests expropriate as profit a portion of the new value public sector workers create. This expropriated added-value is lost to the public sector along with control. With P3s both social wealth and control over the economy become further concentrated in the hands of a few global oligarchs.

Public enterprise, including infrastructure, should be a major source of revenue for governments. By adopting neo-liberalism, privatization becomes paramount and governments seek revenue elsewhere, usually from regressive taxation of individuals and user fees, and engage in cutbacks of social programs and public services. The crime involved is that public authorities of a modern economy in a country as large as Canada do not need private funding for planned public projects. They can raise money from public banks and treasury based solely on the prospect of a return of those borrowed funds from the future value workers produce at the planned developments.

Trudeau Pressure to Privatize Mapleton Infrastructure

Some municipalities, even though eager for investment funds for public infrastructure, are reluctant to directly "partner with private business" within P3s despite the Trudeau government's insistence. Numerous studies have shown P3s result in a burden on public finances and a loss of local control.

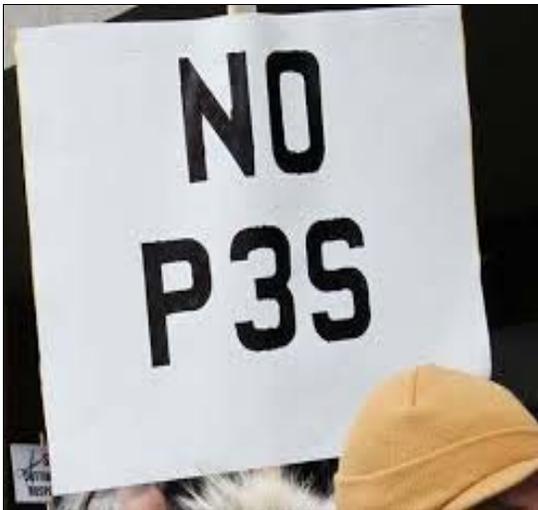
Like many municipalities, the township of Mapleton, Ontario is in dire need to upgrade its water and wastewater systems. The CIB, derisively called the Bank of Privatization, offered a \$20-million debt-financing package but insisted on a P3 taking control of the waterworks. Even before the deal was finalized, the Trudeau government began promoting the Mapleton infrastructure "pilot project" of a CIB loan and P3 as the new model for all other municipalities to follow. The package was structured to ensure the P3 private "partner" could expropriate a certain profit from the municipality's sale of water and gain control over management. This would leave the local public waterworks with a yearly loss of income and with less control to make changes. After studying the CIB loan and P3 offer, Mapleton Township announced that raising money on their own, presumably through a municipal bond, would be less onerous and the municipality's public service would retain control. It cancelled the CIB P3 deal but not without being presented a \$367,000 legal bill in connection with the process and no offer of assistance from the federal government.

Municipalities had been hoping the CIB would provide relief from the traditional method of

funding infrastructure investment through municipal bonds arranged with private moneylenders. However, the Trudeau government stipulation of introducing a P3 along with the CIB loan in effect means jumping into bed with the same devil but in different garb.

Municipal bonds held by private global moneylenders have been sucking the blood out of municipalities for decades. Even facing this fate, some municipalities such as Mapleton find it better to deal with the devil they know than the P3 parasites. At least they retain some semblance of local control and the eventual loss of revenue through interest payments has proven through studies to be less onerous than with P3s.

This begs the question why a federal public institution, the CIB, would demand another public institution, a municipality, involve global private partners when the entire deal could be consummated without incurring debt to private lenders and with no loss of local control and future revenue. Why would the CIB not offer municipalities interest free loans where only administration costs are charged and future repayment of the principal when the new or rebuilt infrastructure begins producing value?



Of course for this to work without loss to the federal government, it would have to stop borrowing from private moneylenders itself and begin the modern government practice of lending money to itself with repayment or replenishing of coffers guaranteed from produced value as the economy develops. But such a sensible new direction would violate the neo-liberal demand that all economic projects whether public or private must serve the private interests of the global oligarchy and concentrate social wealth and power in fewer hands.

What the Trudeau liberals and CIB call their "innovative financing model" is yet another pay-the-rich scheme to turn public funds and projects over to powerful private interests. Even the \$35 billion given to the CIB as a start-up fund is suspect as it comes from the government's general revenue, which is being replenished with unprecedented borrowing from global moneylenders.

With all this government borrowing from private interests and the proliferation of P3s, public funds for social programs and infrastructure and any subsequent public revenue disappear into the pockets of the rich. The deficits and national debt escalate and the experts and media pundits scream themselves hoarse yelling for cuts to social programs, more and higher user fees for public services and greater individual taxation.

Local control over public infrastructure created after years of nation-building is being lost to nation-wrecking as the global oligarchs invade every cell of the economy and suck out more and more value to fatten their pockets. This leaves the local public authorities and the people with less money for public works and social programs, and less control over their lives, deepening a hole that is being dug for them.

Trudeau's Campaign Promise Evaporates

During the 2015 federal election, the Trudeau Liberal Party campaigned on a promise that the CIB would assist municipalities to build and maintain their needed infrastructure. Never once during the campaign did Trudeau say that CIB loans would come with a P3 obligation to hand over control and money to global private interests. After becoming the party in power, Trudeau brought

in Larry Fink, a leading oligarch from the BlackRock investment cartel, and other oligarchs who pushed and organized to open up municipalities and other parts of the economy to global investors. They insisted and the Trudeau government agreed that a P3 demand must be included with any CIB loan. These demands and nation-wrecking practices run counter to nation-building and the right of the people to control the economy and all affairs that affect their lives.

The CIB was an opportunity for something new, a public financing agency without a direct connection to private moneylenders and their bloodsucking interest payments through federal government borrowing and municipal bonds. Such a new direction would entail public works financed through government loans without the involvement of private cartels as moneylenders or P3s. Control and profit from realized infrastructure would stay in the communities and result in greater revenue for the municipalities and lower user fees for the people. Such a new direction was not to be and in fact the government is making the situation worse.

The voices for a new direction for the economy and nation-building are growing louder and louder. Whose economy? The people's economy! Who decides? The people decide! Who controls? The people control! Join the discussion and movement for a new direction for the economy.



(With files from Mapleton rejects private takeover of local water system, Canadian Union of Public Employees (cupe.ca))

Governments' Destruction of Forestry Industry and Natural Environment

No Going Back -- A Paradigm Shift in Forest Management

- Peter Ewart -



The effects of climate change on the forests, landscapes, jobs and communities of British Columbia are increasingly evident across the province, including infestation by insects such as the pine beetle (which has killed millions of hectares of Interior pine forest), severe wildfires, drought, flooding, and other problems. The pine beetle epidemic alone has resulted in the loss of thousands of forestry jobs and the closure of dozens of mills, and climate change is having other negative effects on both the forests and economy.

Responding to these threats, the provincial government released a "Strategic Climate Risk Assessment" in July 2019 that identified 15 climate risks, several of which "have the potential to create catastrophic impacts for B.C.'s communities."^[1]

However, the government's Risk Assessment had one gaping hole. Despite an abundance of evidence, it did not consider the impact that clearcutting of forests and other current forest management practices have on the severity and frequency of at least 9 of the 15 climate risks identified. To address this gap, the Sierra Club BC commissioned a report by forest scientist Dr. Peter Wood titled *Intact Forests, Safe Communities* and which has the aim of examining "the role that forest management can play in either mitigating or exacerbating these risks."^[2]

The Sierra Club BC report begins by noting that over the last century "forests in BC have been logged at an unsustainable rate" and that, as a result, "only three percent of B.C.'s high-productivity old-growth forests remain intact." These old-growth forests "create their own cool, moist microclimate as they age and this helps prevent forest fires." High, complex canopies of trees create shade and capture coastal mist, "allowing the creation of deep moss beds and lush understory vegetation with rotting biomass," all of which can lower Spring temperatures in these forests by as much as 2.5 degrees.

In effect, old growth forests act as giant sponges, "readily absorbing and retaining water, sheltering snow from melting, then slowly releasing the water over a long period of time." This has resulted in some temperate rain forests not experiencing forest fires for several thousand years. Even in the dryer, more forest fire prone forests of BC's Interior, microclimates are created which retain moisture longer. A U.S. study has found that "higher levels of forest protection were associated with lower fire severity values, even though this was also associated with higher levels of biomass and fuel loading." Besides being more fire resistant, older, intact forests are less subject to drought than younger forests and, as a result, the ecosystems "contain high levels of biodiversity, structural complexity, and soil development."



The report argues that clearcut logging destroys the existing forest microclimate and exposes the forest floor to increased direct sunlight resulting in more extreme temperatures and the drying out of woody debris. As much as 40 to 60 per cent of a forest's biomass gets left behind in the form of slash and even whole trees. Despite regulation, this material can often sit on the ground for years. All of this dry flammable waste seriously exacerbates forest fire risk as does wind speed which is known to increase after clearcutting.

Second growth forests also pose a risk as they are more flammable than old ones and these younger trees are more closely spaced together. To add to the risk, forest regulations require that,

after clearcutting, forest companies must spray cutblocks with herbicides such as glyphosate which kill hard wood species like aspen and birch. These hardwoods are less flammable than softwood species and, if left standing, can serve as effective forest fire "blocks."^[3]

Prior to colonization, Indigenous people frequently used fire as a tool to reduce forest fire risk and maintain biodiversity, as well as to grow medicinal and food plants. The report points out that, although fire regimes can play an important role "in maintaining ecosystem health for many types of forests," they should happen in collaboration with Indigenous decision-makers and benefit from the incorporation of their traditional knowledge in forest fire management.



Clearcut logging, especially on steep slopes, also impacts the ability of a watershed to moderate the flow of water, and can result in severe erosion, flooding, and landslides. The massive flooding of the community of Grand Forks in 2018 is a recent example. The degradation of community water supply is another result of clearcutting, as happened to the southern Interior town of Peachland. Erosion and landslides muddied and degraded Peachland's water for months which previously was provided by natural filtration. As a result, the town was forced to pay \$24 million for a water treatment plant. Under Canadian law, communities do not have a right to clean water and "logging companies aren't legally required to consider downstream impacts such as flooding when they harvest trees in

watersheds." This legal exemption remains in effect when logging on slopes and near community watersheds is increasing. In that regard, to see the full extent of logging across the province go to: the "Seeing Red" maps on the Conservation North website^[4].

Among its recommended actions, the Sierra Club BC report calls for engagement with Indigenous decision-makers in a government-to-government process as well as revising all legislation using the lens of the B.C. Declaration on the Rights of Indigenous Peoples Act. It also recommends a "cumulative impacts approach" that takes into account the impact of forestry operations, as well as mining, agriculture and other industrial sectors. It calls for the immediate protection of the small amount of intact old-growth forest still remaining and that second-growth forests be managed to restore resilience and recover through selective logging, thinning, brush removal and new silviculture systems as alternatives to clearcutting. All of this will "enhance the total carbon carrying capacity of these forests and their role in fighting climate change."

Above all, the report recommends moving away from a timber-centric paradigm and towards a prioritization of ecosystem health and biodiversity (with timber as one of the many benefits), and that this prioritization be enshrined in legislation.

In reviewing the report, one thing is clear. We need healthy forests for there to be secure jobs and stable communities, as well as realizing the many uses and values of the forest resource. Achieving these aims is possible but it requires a new direction.

Notes

1. ICF. BC Ministry of environment and climate change strategy. "Preliminary strategic climate risk assessment for British Columbia - summary of results". July 2019.
2. Wood, Peter. "Intact forests, safe communities." Sierra Club BC, February 2021.

3. Stop the Spray BC.

4. Conservation North.

(Photos: Stand Up For the North, J. Beckett, PPWC)

Call to Extend Recall Rights for Vancouver Teachers

Lively Rally in Vancouver Supports Teachers at International Language Schools Canada

- Interview, Jean Ardila -



Jean Ardila is Director, Bargaining Unit 1, Education and Training Employees Association (ETEA)

Workers' Forum: We are here at the International Language Schools Canada (ILSC) Vancouver location where there was a very successful rally this morning. What are the demands of the ILSC teachers?

Jean Ardila: I have been a teacher at ILSC Vancouver for 17 years. I am the Director of Bargaining Unit 1 which represents the teachers here. We held the rally today to tell ILSC to extend recall rights for its teachers. Besides former and current ILSC teachers, colleagues from other schools and other supporters were here as well.

We want ILSC to agree to extend our recall rights for as long as it takes for the school to be back to full operation. In our contract we have a provision for recall for 12 months and that was because our industry is somewhat cyclical and historically there is a slowdown in enrollment from November to March and teachers can be laid off for several months. This language was not meant to deal with the extraordinary circumstances caused by the pandemic. About 99 per cent of our students are international students doing immersion courses, preparing to go into post-secondary schools in Canada or elsewhere. Because of the travel restrictions enrollment is down about 90 per cent. A few of our teachers were already laid off at the end of 2019 or beginning of 2020, as usual, so their 12 months has already expired and they have been terminated.



Jean Ardila addressing the rally at ILSC in Vancouver on March 16.

By the end of April we could lose 31 teachers. We had 77 teachers at the start of the pandemic.

WF: What has been the response to your campaign?

JA: Today was our first physical manifestation. We have a marvelous online social media campaign with a petition at change.org and a Facebook page, Friends of ILSC Teachers Vancouver, where lots of long time teachers and students, some from as long ago as 20 years, are posting photos and messages of support. Speakers at the rally today pointed out that we teachers have been the main factor in the success of ILSC as a leading English Language school in North America. The school was founded in Vancouver and it is our work that has made it possible for the school to expand to Toronto, then Montreal, now Australia and India.

WF: What is the situation in other schools?

JA: All the other language schools in Vancouver with ETEA contracts have extended recall rights. In Toronto last June ILSC agreed to extend the recall rights of our colleagues there who are members of the Ontario Secondary School Teachers' Federation. What we are asking for is an extension until international students are able to fly into the country and things are back to the way they were at the school.

WF: What are you asking the community to do to support you?



JA: We call what ILSC is doing COVID opportunism. We are teachers who have been here for 10 to 18 years or more. We are in our seventh collective agreement and because we have advocated for ourselves we have five to six weeks paid holidays, extended benefits. We have a 10-stage pay grade and many are at the top level. By terminating teachers the school wants to wipe out all of that. They have told the union in writing and told the teachers who are being terminated that they can reapply for their jobs and will start all over again, with a probation period, entry level wages and benefits. With our

campaign we are affirming our rights as workers, as teachers at this school and calling on ILSC to do the right thing.

On March 17 we have an informal mediation under the auspices of the BC Labour Relations Board to hear the union's complaint that the company is violating Section 54 of the *Labour Relations Act* which requires them to negotiate a readjustment plan and act in good faith. We will see if ILSC has heard our message or we have more work to do.

We want people to keep signing and circulating the petition and posting on the Facebook page and we will keep everyone informed about developments and further actions.

To support the ILSC Teachers:

- *Sign and circulate the petition.*

- Visit and post on the Friends of ILSC Vancouver Teachers [Facebook](#) or [Instagram](#) pages.

(Photos: Friends of ILSC Vancouver Teachers)

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