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Windsor Salt Strike

**Another Canadian Public Pension Plan
Overseeing Stone Canyon's
Anti-Union Activities**



May Day rally at Windsor Salt picket lines expresses broad support for their just cause.

- **Political Economy of Attack on Windsor Salt Workers**
– K.C. Adams –

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**Another Canadian Public Pension Plan Oversees
Stone Canyon's Anti-Union Activities**

In addition to the Ontario Teachers' Pension Plan (OTPP), the Public Sector Pension Investment Board (PSPIB) also has major investments and, as a result, a seat on the Board of Managers of Stone Canyon Industries Holdings Inc. (SCIH), the cartel that is engaging in union-busting activities at Windsor Salt in Windsor, Ontario. The PSIPIB controls the pension funds of the federal public service, the Canadian Armed Forces and Reserves, and the RCMP.

The PSIPIB is a Crown corporation which directly implicates the federal government in Stone Canyon's union-busting activities. This shatters the myth that the government is neutral in labour disputes. According to its website, the PSIPIB reports to the Ministers responsible for the pension

plans through quarterly financial statements and annual reports. The PSPIB communicates on an ongoing basis with the Chief Actuary of Canada, Treasury Board officials and other Government of Canada officials in the execution of the its statutory mandate. François Dufresne represents the PSPIB on SCIH's Board of Managers. He is a senior director of private equity with the PSPIB.[1]



Striking federal public sector workers join Windsor Salt workers on picket line, April 27, 2023.

The PSPIB was established by an Act of Parliament in September 1999. As of March 31, 2021 it had net assets of CAD\$230.5 billion under its management. In June 2021, the PSPIB reported that its net assets under management grew by nearly \$26 billion, up 12.7 per cent from \$204.5 billion at the end of the previous fiscal year.

The PSPIB's practices are said to be guided by a code of conduct with high ethical standards. These standards are:

- Acting with integrity and honesty
- Complying with applicable laws
- Protecting our assets and confidential information
- Preventing conflicts of interest

The fact that PSPIB's seat on SCIH's Board of Managers puts it in a position to oversee the holding company's actions, such as strike-breaking activities at Windsor Salt, calls into question PSPIB's practices and adherence to the stipulated code of conduct. SCIH's conduct has been to do whatever unscrupulous actions it can get away with to impose the contract it wants which will bypass the union and result in breaking the union. Current tactics have resulted in needlessly keeping the workers out on strike. This is not something the majority of public service workers would consider having integrity or acting with honesty, as demonstrated by their nation-wide strike in defence of their right to negotiate their wages and working conditions to uphold the standards for all Canadian workers.

The implication of another major Canadian public sector pension fund in the strike-breaking activities of a U.S. holding company is something which concerns the labour movement in Canada. The workers do not agree to having their retirement savings used to finance unscrupulous companies which cause harm to the workers in the U.S. and Canada or anywhere in the world. These investments are carried out based on the claim that fund managers are not political and their mandate is to get the highest returns on the investments. Codes of conduct and ethical standards are entrenched but the workers have no role in defining these in a concrete way which enables them to exercise control over the investments.

In the current situation, knowing that the PSPIB has investments in and sits on the Board of Managers of Stone Canyon, public sector workers can raise their voices to hold it to account and even demand that the PSPIB divest from SCIH. Stone Canyon is engaged in unscrupulous behaviour to prolong the salt workers strike in Windsor so as to impose a contract that is not suitable to the workers which, to boot, results in union-busting. Members of the armed forces who believe in their function to defend Canada might also consider raising their voices as to where their retirement funds are invested.

Support the Salt Workers!
Speak Out to Demand Accountability for Where Retirement Funds Are Invested!

Note

1. François Dufresne also serves as a director of TeamHealth, Inc., a large private health care practice in the U.S., based in Knoxville, Tennessee that offers health care services through more than 15,000 "affiliated healthcare professionals," who act as contractors in the provision of health care. He is also a member of the board of directors of Fives SAS, a global French engineering group that designs and supplies machines, process equipment and production lines for various industries. He also serves as a director of Northwest Fiber, LLC ("Zipty Fiber"), a broadband internet provider over a fiber to the home network in the Pacific Northwest, United States.

Prior to PSPIB, Dufresne was Vice President Corporate Development and Chief Financial Officer at Ovivo Inc., a Montreal-based company that designs and delivers water treatment systems around the world. From 2002 to 2013, Dufresne was a partner at EY in Canada. From 1997 to 2002, he was Vice President Corporate Development at Telesystem International Wireless Inc., a Montreal-based company that operated wireless voice and data networks in several countries around the world. Prior to that, until 1997, Dufresne spent 11 years at Arthur Andersen in Canada.



Political Economy of Attack on Windsor Salt Workers

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The Stone Canyon control of salt production and distribution in the U.S. and Canada is a form of imperialist investment. A central cartel amasses already produced social wealth from various sources such as wealthy individuals, enterprises and hedge, mutual and pension funds. The cartel targets a part of the economy such as salt production and uses the immense size of the fund gradually to buy and seize the fixed value (buildings, machinery and contracts) of the enterprises in the sector.

The cartels buy the fixed value of already existing operations. This allows the purchaser to benefit immediately from the gross income and profit of the combined operations, which can then be presented to their investors as a return on their investment. Those with funds invested in the Stone Canyon cartel can in some cases be two times removed from the actual operation of the Windsor Salt facility and any other enterprise owned by the cartel. They would receive only a statement of the rate of return on their investment in the cartel and generally not be concerned with the cartel's investments. Or, as in the case of the Ontario Teachers' Pension Plan (OTPP) which controls Ontario teachers' pensions and the Public Sector Pension Investment Board (PSPIB) which controls pension funds of the Public Service, Canadian Armed Forces, RCMP and Reserves, the size of their investment means they become part of the oversight of the cartel through gaining a seat on the Board of Managers.

The imperialists use their accumulated social value to invest in new production if an agreement can be reached for state subsidies for much of the investment. Such is the case with Volkswagen's deal with the Canadian and Ontario governments to pay much of the price (fixed value) for a new battery production facility in Ontario. Refusal of the imperialists to invest in new production without pay-the-rich schemes arises partly from the fact that no income will be forthcoming from the new facility for several years. Without government subsidies and favourable terms for needed infrastructure, the imperialists will only invest in new facilities not as owners but as lenders where interest payments begin immediately.

Imperialist investors of the kind that have seized monopoly control of salt production include hedge, mutual and pension funds often called private equity. The private equity investors both one and several times removed from any purchased enterprises demand an immediate return on their money putting pressure on the actual managers of the operations to skin the ox over and over again. Such is the case at Windsor Salt where Stone Canyon and its investors are attacking salt workers with a vengeance demanding unacceptable concessions.

After an investment cartel, or holding company, as Stone Canyon calls itself, assumes ownership of a significant portion of a part of the economy or sector it can bring its monopoly control into action. The aim of the cartel is to use its monopoly position to increase the added-value or profit it expropriates from the purchased enterprises. The cartel sets its sights on the reproduced-value the working class claims from the value it produces. The new value the working class produces is the main but not the only source of profit for the cartel but the only source of the reproduced-value the working class claims. An increase in profit for the imperialists comes from increasing the production of new value, seizing some of the reproduced-value the working class claims or from using their monopoly control to inflate the market price of salt above its actual price of production.

The monopoly position of the cartel and the demands of investors for immediate and constant returns mean it unleashes attacks for concessions on the working class demanding it give up some of its claim for reproduced-value in wages and benefits. Stone Canyon has already done this in Canada most notably at its salt enterprise in Nova Scotia and now has aimed its guns on salt workers in Windsor Ontario.





Reducing the workers' claim on reproduced-value is accomplished not just with the obvious lowering of wages and eliminating benefits for workers directly employed but in the way work is organized. Stone Canyon demands the monopoly right to contract out salt workers' work. Replacing current workers with contract workers would gradually eliminate the union of workers and any collective agreement and security the unionized workers may have.

The contract workers Windsor Salt wants to bring in to replace current workers will have no security or permanence of work but only a contract for a certain period, which usually carries with it no guarantee of further work or benefits.

Eliminating security of employment can reduce in various ways the reproduced-value workers claim. Contract work generally becomes irregular work with no fixed hours or days of work or security of employment. This eliminates extra reproduced-value for overtime, weekend work, holidays and most benefits including pensions. The imperialist enterprise can lengthen the work day and work week of the working class using contracts with multiple workers. Having two or three part-time jobs has now become commonplace in Canada. The irregular contract work also allows the imperialists to eliminate workers during any slow period of production or downturn and reduce wages in succeeding contracts.

Manipulation of Prices

The concentration of ownership of an industry allows owners to use their monopoly position to manipulate the market prices of the social product workers produce and force suppliers to lower their prices. Since Stone Canyon already holds a dominant position in salt production it has no need to eliminate competitors by lowering prices. Quite the contrary, it can use its monopoly power to raise prices for the social product it sells, demand lower prices for what it needs to purchase and force unfavourable contracts for delivery on wholesale buyers and municipalities and break those contracts with impunity. Reports say that the salt monopoly routinely breaks salt purchase agreements with municipalities when circumstances mean it has found other buyers at higher prices. Needless to say salt is an essential product for food production and in Canada and northern U.S. for de-icing of roads and walkways. It is scandalous to say the least that governments, which are supposed to serve the common good allow this monopoly abuse to occur at all, much less continue. The people must force an end to this monopoly abuse!

Higher prices for social product increase the gross income from sales. If the market prices are higher than the price of production this results in more profit for the owners. But this extra profit cannot come from thin air; it must come from other parts of the economy causing disruption and becoming yet another factor for recurring economic crises.

Higher prices for social product either in the particular case or generally from broad price inflation mean the imperialists benefit from the fact their investment in fixed value, such as the amount Stone Canyon paid for existing facilities, goes down in relation to the current gross income from sale of social product. The amount of fixed value from buildings and machinery consumed in production, called depreciation or fixed transferred-value, is transferred into current production as a part of its price of production. Price inflation means the fixed transferred-value or depreciation of

the fixed value the cartel owns becomes less in relation to the market value of current production. The difference becomes a bonus for the owners as extra profit.

General price inflation throughout the economy, which recently has become extreme, reduces the already-purchased fixed value of means of production and its transferred-value in relation to the higher gross income from sales of social product. The difference becomes an added bonus to companies. This is one reason why the imperialist economy and its institutions such as the Bank of Canada aim for at least two per cent annual price inflation and sudden jumps in price inflation can result in increased profit for those companies with large amounts of fixed value. The retail food monopolies are a prime example.[1]

Price inflation, which is yet another factor causing economic crises, also puts downward pressure on reproduced-value (wages especially) and what workers can purchase. To reassert their dignity and a standard of living they deem acceptable, workers must organize determined class struggles to "catch up" with price inflation.

The concrete conditions of monopoly control within the imperialist economy demands a united broad approach by the working class to defend its rights and claims. Workers and their organizations should support one another any way they can. Together, the working class can defend its rights and claims on the social product it produces. The struggle of Windsor Salt workers is a just struggle that all should support.



A broad approach is necessary to force an end to monopoly control of the economy and its use against the interests of the people and society. Governments must be forced to introduce regulations that restrict monopoly right, stop paying the rich and put limits on exploitation. The situation underscores the necessity for a new human-centred direction for the economy in opposition to imperialism. The working class has to prepare itself for this wider profound struggle to put an end to the destructive imperialist economy and replace it with a new human-centred direction under the control of the people.

Note

1. Price inflation has secured increased profits for the big retail food distributors Loblaw, Sobeys and others. This has occurred because price inflation changes in their favour two of the three main components of the price of production.

The food cartels own or lease numerous retail outlets, warehouses, refrigeration machines and trucks. This means their fixed transferred value consumed (used up as depreciation) during the sale of food is large. The fixed transferred value is based on prices paid prior to the current rise in general price inflation. This means their gross income from sales of food at inflated prices has grown larger while their fixed transferred value remains mostly the same. The difference translates into a rise in profit.

Also, the retail food business is labour intensive requiring large numbers of workers in each of the stores, warehouses and for transportation. With price inflation, the reproduced-value the food workers claim falls in relation to the gross income of the retail food companies. The retail food cartels seize the difference between the pre-inflation reproduced-value and the now swollen gross income of the companies. Again, this means the additional gross income from sales can become profit for the food oligarchs. Retail workers, as are others, are faced with the task of organizing a determined class struggle to "catch up" with rising prices.

The aspect of price inflation that does not result in greater profits is the circulating transferred-value from food and other supplies the food cartels must buy from their suppliers. The food CEOs in presentations to a Parliamentary committee rationalizing their bloated profits during the pandemic gave higher circulating transferred-value as the reason they were forced to raise retail prices and that higher profits are somehow illusory yet there in their balance sheets where some of the increased profit went to grocery executives. CBC News writes, "Regulatory filings for Loblaw show that Weston, the scion (child) of one of Canada's richest families, took in just over \$8.4 million in salary, bonuses and stock-based compensation last year (2022) as president and chair of Loblaw, the grocery chain his family controls." This represents an increase of \$1.2 million from the year before.

Yahoo News reports, "The CEO of Kroger (Rodney McMullen), America's largest grocery store chain, has been criticised for receiving a record \$22.4-million in compensation (in 2021, a 6 per cent increase) after slashing key workers' \$2-an-hour, Covid-19 hazard pay last year, according to reports. Kroger, which employs around 465,000 staff across 2,640 stores, saw profits rise in 2020 from \$122.29-billion in 2019 to \$132.5-bn."

Note that the median annual pay for a Kroger worker is \$24,000.

For information on workers fighting against wage theft at Kroger [click here](#).



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