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Continue to Stand as One with the BC Port Workers!
Breakthrough in BC Port Dispute

Striking port workers rally in Vancouver, July 9, 2023

Stop Paying the Rich!

• The World Is Drowning in Debt to the Rich
– K.C. Adams –

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Breakthrough in BC Port Dispute

Just after 10:00 pm PDT on July 30 the International Longshore & Warehouse Union (ILWU) Canada issued a joint statement with the British Columbia Maritime Employers Association (BCMEA) announcing they had negotiated a tentative collective agreement in the labour dispute involving 30 port terminals in BC with the "assistance of the Canada Industrial Relations Board."

The union is recommending its membership ratify the agreement. Two previous tentative agreements were not approved by port workers. No details have been released and the date for the ILWU ratification vote has not been publicly announced.

The negotiations leading to the tentative agreement were held under threat of the use of police powers against the port workers. The "assistance" of the Canada Industrial Relations Board in the negotiations was on the instructions of federal Labour Minister Seamus O'Regan who directed the board to determine if a negotiated settlement was possible stating that otherwise the board was to use the government's police powers to "impose final binding arbitration." He further stated that Prime Minister Justin Trudeau's July 19 decision to meet with "the incident response group" – a move the CBC explains is typically reserved for moments of national crisis – showed "the government is prepared for all options and eventualities."

In typical fashion which refuses to make sure the wellbeing of Canada's workforce is protected, O'Reagan said: "The state of uncertainty cannot continue. While our BC ports are operating right now, we need long-term stability for the many workers and businesses that depend on them."

A majority of the 7,400 BC port workers had voted down the previous government-proposed contract. A majority of workers said *No!* to the government-proposed settlement because it failed to meet one or more of their main demands. Their main demands are well known and summed up as: adjust wages to deal with price inflation, stop contracting out their work, and allow workers a say and control over the introduction of automation. In a press release July 28 the International Longshore & Warehouse Union (ILWU) Canada said workers demand an agreement that "works" for them and the industry.

In rejecting the government-proposed contract, the port workers stuck to their refusal to accept a position in life as disposable means of production for the profit of a few. They have rights to security in their employment and retirement and a standard of living acceptable to themselves and the community. Their rights cannot be taken away and could be met at this time with language in their work contract that satisfies their demands.

With tiresome regularity the port employers' association, monopoly-controlled media, certain politicians and big business groups have repeated their desire to have the Trudeau federal government criminalize the port workers' struggle and legislate a binding work contract without gaining workers' approval.

BC port workers have received much national and international support. They reject with contempt any government dictatorial manoeuvres. The demand of workers across the country is for settlements achieved through negotiations and agreements that satisfy the workers. In the case of the port workers this refers to their three main demands.

Criminalizing BC port workers and dictating terms of a contract has been met with coast to coast to coast condemnation. If the rich and their political spokespersons want to avert even greater disruptions of the economy both now and in the future, it is within their power to make sure they satisfy the claims the workers are entitled to make.

Workers are productive human beings with rights that must be met!

Continue to Stand as One with the BC Port Workers in Their Just Struggle!

Port workers in St. John's Newfoundland hold support rally for BC dock workers, July 9, 2023.

Stop Paying the Rich!

The World Is Drowning in Debt to the Rich

– K.C. Adams –

The United Nations has issued an alarming report on the growing indebtedness of governments throughout the world. General government debt has soared five-fold since 2000 to a record $92 trillion (U.S. dollars) in 2022, outpacing global GDP, which tripled over the same period. GDP growth is mostly attributed to the transformation in the developing countries from rural petty production to urban socialized industrial mass production. Seventy per cent of global government debt is held in the imperialist centres with the U.S. leading by far with a reported $32.5 trillion, around one-third of the total world government debt.

Of special concern with global government debt is the rapid growth of interest payments, surpassing other public expenditures. The UN report says an increasing number of countries find themselves trapped in a situation where both their development and their ability to manage debt are compromised.

Some governments are compelled to spend more on servicing debt than on critical sectors like health, education, other social programs and needed infrastructure. At least 19 developing nations allocate more public funds to interest payments than education, and 45 devote more to interest than health expenditure. A collection of 48 developing countries with 3.3 billion people, almost half of all humanity, suffer annual interest payments alone that exceed expenditures on health, education or other needed development investments.

Within the situation, African countries on average pay four times more for borrowing than the United States and eight times more than Germany. Half of all developing nations spend a minimum of 7.4 per cent of their export gross income on servicing external public debt.

Privatization of Lending and Debt

Multilateral creditors such as the IMF and World Bank are becoming less important as creditors with private cartels taking over world lending. Increasing reliance on private moneylenders such as bondholders, banks, investment cartels and other private lenders has resulted in more expensive debt, shorter maturities and more complicated debt restructuring when it comes to a debt crisis.

In the past ten years, the portion of external public debt owed to private creditors has risen across all regions, accounting for 62 per cent of developing countries' total external public debt in 2021 up from 47 per cent a decade ago. The report suggests the increasing share of public debt owed to private creditors presents two challenges: borrowing from private sources is more expensive than concessional financing from multilateral and bilateral sources, and the growing complexity of the creditor base makes it more difficult to successfully complete a debt restructuring when needed. No mechanism currently exists to address how to restructure debt across different classes of private and multilateral moneylenders. Delays and uncertainties increase the costs of resolving debt crises. The report says a total of 52 countries -- almost 40 per cent of the developing world -- are in "serious debt (debt) trouble."

UN Secretary-General Antonio Guterres

UN Secretary-General Antonio Guterres commenting on the report said, "Half our world is sinking into a development disaster, fuelled by a crushing debt crisis." Such unsustainable levels of debt are a "systemic failure" resulting from the "colonial-era inequality built into our outdated global financial system," the UN chief explained. Debt has become "a trap that simply generates more debt," he said.

Poorer nations rely increasingly on private creditors who charge "sky-high" rates and find themselves forced to borrow more "for their economic survival." Guterres bemoaned the reality that half of humanity lives in countries that are forced to spend more on servicing their debt than on "essential investments" such as health, education and the world's "Sustainable Development Goals or energy transition, which is nothing less than a development disaster. [...] And yet, because these unsustainable debts are concentrated in poor countries, they are not judged to pose a systemic risk to the global financial system," the UN Secretary-General added.

The report points out that developing countries are highly exposed to external shocks because they have to service debt repayments in foreign currencies mainly the U.S. dollar. It says developing countries with high reliance on exporting their natural resources cannot keep up with rising interest payments. The share of external public debt to exports increased from 71 per cent in 2010 to 112 per cent in 2021. Half of all developing nations spend a minimum of 7.4 per cent of their export gross income on servicing external public debt, up from 3.9 per cent in one decade. For comparison, the 1953 London Agreement on Germany's war debt limited the amount of export gross income that could be spent on external debt servicing (public and private) to 5 per cent to avoid undermining the recovery.

Currently, half of developing countries devote more than 1.5 per cent of their GDP and 6.9 per cent of government revenue for interest payments, a sharp increase over the last decade, the report says.

The rise of interest payments is a widespread and unsustainable problem. The number of countries where interest spending represents 10 per cent or more of public revenue increased from 29 countries in 2010 to 55 in 2020.

Interest payments have grown faster than public spending on health, education and infrastructure and other necessary investment over the last decade. The rapid increase of interest payments is squeezing out spending in these key areas.

The rise of debt in the developing world to global moneylenders is reported mainly due to a lack of internal accumulation of public income and absence of alternate financing. The situation has been exacerbated by the COVID-19 pandemic, price inflation and costs associated with climate change. Consequently, the number of countries facing high levels of debt has increased sharply from only 22 countries in 2011 to 59 countries in 2022. Developing countries' total public debt increased from 35 per cent of GDP in 2010 to 60 per cent in 2021. External public debt, the part of government debt owed to foreign creditors increased during the same period from 19 per cent of GDP to 29 per cent of GDP.

Developing countries face additional challenges due to high levels of external public debt mostly held in U.S. or other imperialist currencies. This makes them more vulnerable to external shocks. Comparing developing countries' expanding debt levels to their ability to generate foreign exchange through exports reveals an inability to acquire sufficient revenue to service their external debt obligations. When global financial conditions change such as during the 2008 economic crisis or the recent pandemic and price inflation, international investors become more "risk-averse" and demand more stringent terms and higher interest. Similarly, when a country's currency devalues, debt payments in foreign currency can skyrocket, leaving even less money for social programs and necessary development.

The "systemic failure" of global economic relations and growing worldwide crisis of war and poverty underscore the necessity for a new direction for international economic and political affairs. The dream of one humanity living together in mutual respect and development for the common good can and must be brought into reality.

(For the complete UN report see: A world of debt | UNCTAD)
