

FIGHT THE  
TRUDEAU  
MEASURES  
AND THE  
CAPITALISTS'  
ATTACKS

*Build  
a united  
fightback  
of the  
working class*



**CANADIAN COMMUNIST LEAGUE (MARXIST-LENINIST)**

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## INTRODUCTION

Canadian capitalists have launched a series of attacks on workers since the beginning of August. Trudeau's new economic policies are part of these attacks. All Canadian workers, those in the public sector, in the private sector, and the unemployed, have been hit by them. **WE NEED A UNITED FIGHTBACK OF THE WHOLE LABOUR MOVEMENT.** Only the united, organized and mobilized strength of the entire working class will be able to push back the government and the bosses. This pamphlet is meant to help build this united fightback.



**Trudeau's cutbacks will deprive at least 260,000 people of their right to unemployment insurance benefits.**

## **1) Trudeau's economic measures**

The economic measures announced in early August by Trudeau and his Cabinet mark the beginning of a new and powerful capitalist offensive against working people.

The previous systematic offensive of this kind dates back to October 1975 and the wage controls. This latest attack comes three months after the official end of Bill C-73 in April 1978.

The latest measures consist of a series of drastic cuts in social services budgets and attacks on unions and workers' acquired rights in the public sector.

The Trudeau government's measures are taking effect in three main areas.

## ATTACKS ON THE PUBLIC SECTOR

The government wants to limit wage increases to 6% and get rid of cost-of-living adjustment (COLA) clauses in the public sector. It is attacking the job security of civil servants: 5000 layoffs have been announced.

The Trudeau government is attacking every single right that public sector workers have. The weapon it is using is Bill C-28, which was tabled last winter.

If this bill is passed, workers in the public sector will lose the right to negotiate their wages, they will have no job security, the government will be able to transfer workers as it pleases and withdraw the right to strike during elections.

## BUDGET CUTS

The government has decided to cut spending by \$4 billion, or 8% of the federal budget. These cuts will mean that thousands of jobs across the country will be lost.

The major part of the \$4 billion "saved" by the government will come from reducing the social services financed by workers' taxes.

Although there are 937,000 unemployed in the country, unemployment insurance will be cut back the most. On August 24, Finance Minister Jean Chrétien announced a \$580 million cutback that will knock 260,000 beneficiaries off the lists.

Recipients will get only 60% of their wages now, instead of 66⅓%. New claimants will have to prove that they worked and paid insurance for at least 40 weeks in the previous two years, and from 10 to 14 weeks in the last 12 months. This measure is particularly hard on those who have recently joined the labour market, like women and young people.

It will be much more difficult to get unemployment insurance two times in the same year. This will be a blow to seasonal workers like those in the farming, fishing and construction industries.

All these cuts have been made on the pretext that workers cheat! But how can they talk about cheating when everyone knows there's only **one** job available for every 25 unemployed?

And there are other cuts too. The overall federal aid plan



**Conservative leader Joe Clark has an even tougher line in store for public sector workers and all working people. He is promising that if elected he'll give the bosses even more handouts than Trudeau will. No wonder his popularity among the capitalists is growing.**

for children (family allowances, income tax deductions) will be reduced by \$100 million.

Another \$500 million will be sliced off health, education and welfare programs jointly financed by the federal and provincial governments. The budgets of the Central Mortgage

and Housing Corporation and of the CBC have been chopped too.

### **SUBSIDIES FOR THE CAPITALISTS**

Subsidies to business are the subject of chapter three of the Trudeau measures. And it's here we see their real intent: all the money "saved" at the expense of the people is going right into the capitalists' pockets.

Subsidies, like the \$68 million given to Ford or the \$40 million promised to GM, and tax cuts for business will multiply in the name of "creating jobs" and "stimulating investment." According to the **Financial Post**, August 19, gifts totalling \$2 billion will be turned over to the capitalists.

## **2) The capitalists' objective is to force a setback on the whole labour movement**

All these measures are designed to shift the burden of the crisis onto the workers. The government is cutting back on social service budgets and transferring the money straight into private enterprise, especially the monopolies. At the same time, the attacks on public sector workers are meant to set an example for private sector workers too and force them to back off on their own demands.

Although the economic program mainly targets federal employees it also hits out at all Canadian workers and is designed to force a setback on the whole labour movement.

For example, the provincial governments are applying the



**Air Canada workers were the first to face the federal government after Trudeau announced his new measures. By ruthlessly attacking public sector workers and state employees, the capitalist class also targets those in the private sector. Above: Air Canada workers during a meeting held in Montreal this summer.**

same policies with respect to their own public services. In fact the essential points of the economic program were agreed upon and developed by all the provincial premiers, including the leaders of the Saskatchewan NDP and the Parti Québécois, at last year's First Ministers' Conference.

Across the country provincial public sector workers are up against the same wage ceilings, attempts to remove indexation (COLA) clauses, threatened layoffs and attacks on acquired union rights.

The federal government's new orientation is in direct response to the demands voiced by the capitalists who for a long time have been trying to prevent the struggles and demands of the public sector from spreading to workers in the private sector.

The measures reflect and strengthen the position of capitalists in the private sector against the workers they employ. As a matter of fact what they are trying to do is to apply the same policies — limiting wage increase to 6%, eliminating indexation and laying off thousands of workers.

The government's determination to come down hard on public sector workers with repressive laws, injunctions and all kinds of restrictions on the right to strike is being applauded by the bosses who are trying to get the same policies extended to all unions.

But the capitalists' latest offensive is running into growing resistance from Canadian workers. Hard battles have taken place in many sectors and some important victories have been won.

Canada Packers workers in Western Canada and Ontario and Westinghouse workers in Ontario broke the 6% wage ceiling after strikes lasting several weeks.

The 12,000 Inco workers rejected the monopoly's ridiculous four cent offer and resisted its attempts to break their union rights by launching an all-out strike.

Resistance is growing above all in the public sector. In August, Air Canada workers walked out for 12 days, and right now, the postal workers are the ones courageously resisting the government's attacks. The government knows it has to break the Canadian Union of Postal Workers, one of the most militant unions in the public sector, if it is to succeed in imposing its economic program. By resisting the government, by standing up to the back-to-work law and injunctions, by maintaining and building their struggle, the postal workers are showing us the road to follow.

A support movement, made up of unions from both the public and private sectors, is building around the postal workers. **This is the beginning of a united fightback of the working class against the capitalists' offensive.**

### **3) Our general program of demands**

The entire workers' movement must fight back hard against the capitalist offensive. We need a general program of demands for the public and private sectors.



The governments and the bosses are spreading all kinds of lies about the demands of the posties and the public sector workers in general. They say these workers are "already making too much", they want "privileges" compared with the private sector, etc.

The truth is that public sector workers are facing the same conditions as those in the private sector and in general are fighting for the same things.

The League has formulated this program to contribute to cementing the unity of all workers in this struggle. Let's use this program and take up the struggle in our unions and workplaces to win these demands!

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### **WE REJECT ALL WAGE CONTROLS AND CEILINGS!**

In the second quarter of 1978, wage increases were kept down to an average 6.4% for the first year of the contract. We haven't seen such low increases in 10 years, while inflation itself is the highest it's been for 10 years.

Meanwhile the companies continue to roll in profits. In 1977, profits went up by an average 21%. We must force the companies to cut into their profits and give us better wages.

The labour movement must refuse all wage limitations.

#### **We demand:**

- **A catch-up for wages, driven down by the wage controls in 1975, which will compensate for the rising cost of living.**
- **Break through the 6% ceiling!**

### **INDEX WAGES TO THE COST OF LIVING!**

While our wages are being eaten away by inflation, the bosses refuse to give us COLA clauses or are trying to take back the ones we fought so hard to win.

In 1974-1975 there was a great movement for indexation of wages. Following militant strikes in transportation, the paper industry and on the railways, and mass mobilizations, the capitalist class was forced to concede to the labour movement



The unity of all workers, public and private sector alike, is essential for beating the capitalist offensive and the new Trudeau measures. Above, a postal worker on a picket line in Montreal with UAW autoworkers.

this basic demand for protection against inflation.

But today the capitalists are doing everything to take back this acquired right.

In the second quarter of 1978, only 44 contracts out of 186 contained an indexation clause. And even those that had such clauses restricted wage increases in the first year to 6.4%.

The bosses are out to take back indexation, and they succeeded in doing this, to a large extent, during this year's pulp and paper negotiations in May. If they can't kill it completely, they water it down so that real wages continue to drop.

No way will we drop this crucial demand to protect our wages. Let the bosses dip into their own profits.

**We demand;**

- COLA clauses that fully cover the increase in the cost-of-living!
- Payments made every three months and added to the base wage!

## **INCREASE THE MINIMUM WAGE! INDEX IT TO THE COST OF LIVING!**

The bosses have the nerve to complain that the minimum wage is too high. That's ridiculous when you know that in Ontario, for example, the minimum wage is 45% lower than the average wage. Those profit-thirsty capitalists are just out to squeeze as much as they can out of the most vulnerable workers, the majority of whom aren't unionized.

**We reject these dirty attacks. We demand:**

- **Increase the minimum wage!**
- **Full indexation of the minimum wage to the cost-of-living!**

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### **WE DEMAND OUR RIGHT TO JOBS!**

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There are over a million unemployed. That's the highest number since the '30s. To protect and maintain their profits, the capitalists haven't hesitated to throw thousands of workers out of work. Factory shutdowns, layoffs, job cutbacks in the public sector are as bad as ever despite the already catastrophic situation.

### **JOBS FOR ALL**

- **The labour movement must demand job creation programs. We can force the government to start public works programs like low-cost housing, hospital construction and renovations or road construction projects, that answer some of people's needs.**

**At the same time, we must wage a determined fight to maintain our jobs, and reject all layoffs and factory shutdowns.**

### **NO CUTBACKS IN UNEMPLOYMENT INSURANCE!**

The capitalist state has never given us unemployment insurance of its own free will. The working class won this right from the bourgeoisie through bitter struggle, and we must not give it up.

**We demand:**

- **Benefits equal to full wages or a guaranteed income for all!**
- **No cutbacks in unemployment insurance!**
- **Withdraw Bills C-69 and C-27.**

**STOP REPRESSIVE ATTACKS ON UNIONS!**

To push through its crisis measures, the capitalist class is trying to weaken unions and break workers' resistance. It is using special legislation to hit our right to strike, limit union action or stop the unionization of unorganized workers.

- **We demand and will fight for the withdrawal of all legislation limiting union activity and threatening our right to strike, an indispensable weapon for defending our rights!**

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**WE SUPPORT PUBLIC SECTOR WORKERS!**


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Trudeau's economic program and the provincial policies hit public sector workers especially hard. Job cutbacks in the public service and hospitals, the attacks on acquired rights, and the "comparability" formula that limits wages are all examples.

The struggle to push back these attacks must be supported by the whole labour movement and the population. In particular, we must support the 23,000 postal workers' struggle the bourgeois state is trying so hard to smash.

**We demand:**

- **Withdraw Bill C-28 and all provincial legislation attacking the right to strike!**
- **Reopen all closed hospital beds and departments!**
- **Reopen all closed job positions!**

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**NO CUTBACKS IN SOCIAL SERVICES!**

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Although government funds come from our taxes, the state is making drastic slashes in social services. This money goes to subsidize the same companies that are laying off and attacking all our rights.

**We demand:**

- **Increase family allowances and index them to the cost of living now!**
- **No budget cutbacks affecting social services!**

## **4) A united fightback of the working class**

To counter this orchestrated offensive by the capitalists, do workers have any choice but to fight back using their numbers, their unity and their organization?

Rank and file workers are choosing the correct orientation: **struggle, class against class, direct action against the bosses**. We must start fighting right now. We have to co-ordinate and unite our actions with other workers in the same sector or the same region.

We are already witnessing the development of closer links between the different unions in the public sector. For example, several public service unions organized a joint meeting in Winnipeg on September 28. In Montreal's east-end, which has been hit by a wave of strikes, workers are starting to co-ordinate their actions by supporting each other on picket lines and by inviting each other to their union meetings. **This trend must be developed; all workers, whether in the public or private sector, have everything to gain from uniting their actions.**

At a time when the rights of all Canadian workers are under attack, it is essential to develop rank-and-file unity in action of the whole working class.

In order to counter this capitalist offensive, militant local or sectorial struggles, while very important and fundamental, are



**In 1976, the working class turned out massively for the October 14 general strike. Today too, we must unite the different fights going on throughout the country into one political fightback in order to defeat Trudeau's new measures.**

not enough. We must unite the whole labour movement, unions in both the public and private sectors, workers and unemployed, in a joint fightback.

This united fightback must develop into a political struggle in which the working class confronts and pressures the capitalist class to withdraw the Trudeau measures.

Taking example from the great struggles of 1976 which culminated in the general strike, **we have to get united and concentrate all the different struggles against the various aspects**

**of the crisis measures into a single working class fight aimed not just against this or that boss but against the whole capitalist class and their state.**

The regional demonstration called in Montreal for the 1st of November and the movement of support for the postal workers are the beginnings of a movement of **united political struggle in which workers are acting as a class to force the withdrawal of the Trudeau measures and to counter the capitalist offensive.**

We must develop this movement by demanding that our unions organize demonstrations, joint actions, and other forms of mobilization in the labour movement on a regional as well as a country-wide scale.

### **BETRAYAL OF TOP UNION LEADERS**

The union leaders are completely capitulating to the capitalists' offensive.

The leaders of the Canadian Labour Congress have come up with the following "plan of action": sabotage workers' struggles, step up collaboration with the capitalists, push frantic electioneering for the NDP. There's no mention of struggle or a fightback.

We've seen this orientation in action at Stelco, Algoma and Inco where Steelworker misleaders systematically opposed the rank-and-file struggles and at Air Canada where the Machinists brass constantly undermined the workers' fight.

The reformist heads of the labour movement have also been forced to recognize the importance of political struggle, but they want us to stick with **capitalist politics.**

We've heard the same song repeatedly sung by Canadian Labour Congress President McDermott at most of the recent union conventions: working class participation in the political arena means supporting the NDP.

We reject this course. The NDP is a capitalist party, basically no different from the Conservatives or the Liberals. What the NDP is proposing now is nothing but the old Liberal party program.

The NDP promises more subsidies to capitalists in order to rationalize Canadian industry. The NDP also attacks public sector workers. On October 19, party leader Ed Broadbent made



The NDP's program is just as anti-worker as the Liberals'. We saw this on October 19, when NDP leader Broadbent called on all 23,000 postal workers to go back to work and respect Trudeau's back-to-work legislation.

no bones about telling postal workers on strike to return to work and respect Trudeau's back-to-work legislation. These facts about the so-called workers' party speak for themselves.

The NDP promises not to cut back in public services, but this is just its way of winning some votes. In Saskatchewan where the NDP is in power, it isn't shy about slashing legal aid and daycare programs, and applying the same measures as Trudeau.

We also reject supporting the PQ, unlike some union



bigwigs in Quebec. The PQ — Ottawa's arch-enemy — is now implementing the same policies as Trudeau, notably by hitting public sector workers with wage controls. Last October, Finance Minister Parizeau went so far as to say that the former Liberal government had been too "generous" in the 1976 public sector negotiations.

**By trying every way they can to channel the workers' anger into support for these bourgeois parties, the top reformist union leaders are doing anything but defend the interests of the working class — on the contrary, they are sabotaging its fightback.**

### **WE NEED A WORKING CLASS ORIENTATION INDEPENDENT OF BOURGEOIS PARTIES**

Top union misleaders do propose a form of politics to workers, but it's capitalist politics. They propose voting for the NDP, where the working class does not act independently, or mobilize to defend its rights, but ties itself to a bourgeois party.

Leading a political struggle does not mean cozying up to bourgeois parties or sitting down with capitalists to figure out new ways of squeezing more profits out of us. Nor is it spreading illusions about how the workers' lot will be improved if the Liberals are defeated in the next federal elections this spring.

**We reject this type of politics and propose working class politics instead: mobilizing workers for direct political battles against the bourgeoisie.**

**Our slogan is: build a united fightback of the working class, independent of all bourgeois parties.**

#### **Working men and women,**

To build and strengthen the labour movement, we need our own party, the communist party of the working class. Only such a party will ensure that the labour movement's politics are working class politics, independent of bourgeois parties like the NDP and the PQ and all the other false friends of the workers.

It is the only party that can educate the working class from a

revolutionary viewpoint and prevent it from being fooled by people like Broadbent or Lévesque. This party is the only one that can show workers the final goal of their political action, that is, the seizure of state power by the working class and an end to exploitation of man by man — socialism.

**Working men and women,**

If you agree with these objectives, join us in building the party of the working class.

## **ANNEX: Canadian economy in worst shape since 1930's Great Depression**

**Over one million people without work, 9% of the labour force unemployed! Things haven't been so bad since 1940!**

**As for the cost of living increase, which has hovered around 10% a year for the past four years, you have to go back to 1951 to find a rate of inflation that high.**

Worst still, in the past, when unemployment was high, the cost of living only rose slightly (eg. in 1961 — 7.1% unemployment, 1% inflation). Or vice versa, when inflation rose, the rate of unemployment went down (eg. in 1951 — 10% inflation, 2.4% unemployment).

The present crisis has its own special twist — equally astronomical rates of unemployment and inflation.

### **A DEEP AND LASTING DEPRESSION**

Unemployment and inflation have topped 5% every year since 1972. This is not about to

change and shows just how severe and lasting the crisis is.

The entire economy is falling apart. Production is stagnating or moving at a snail's pace. The manufacturing sector is operating at only 85% of its capacity compared to 94% in 1974.

For example, the new Dupont textile plant in Côteau-du-Lac, Québec, one of the most modern in North America, has been lying idle since it was built two years ago.

The Canadian dollar worth one American dollar in 1972 has dropped to only \$0.83 in October



The rising cost of food, like the prices of beef and fresh vegetables which have gone up 50% in just one year, is forcing people to pinch pennies. A Statistics Canada study reveals that butter consumption by Montreal families has gone down by half from 1969 to 1976 whereas margarine consumption over the same period doubled.

1978. Canada is now the biggest debt-holder in the world with an incredible \$100 billion foreign debt. This is more than that of all third-world countries put together.

Thousands of unemployed workers will lose their already miserable unemployment insurance benefits with Trudeau's cutbacks. Those who are still working are seeing the rising cost of living eat away their income. In the last year, wages have only gone up 6% whereas prices jumped by 9.2%. Our real wages, our buying power, are going down before our very eyes.

And they are being reduced even faster by the ever larger portion of our paychecks that goes

into taxes. It's not surprising that under these conditions two-thirds of the federal government's revenue now comes from individuals and a third from companies, the exact reverse of the case in 1968.

#### FALLING STANDARD OF LIVING AND GROWING DEBT

Workers are falling into more and more debt as they try to make ends meet. Finance companies like Household Finance and Avco are cleaning up as borrowing by Canadians reaches \$32 billion this year, up from \$10 billion in 1968.

And cutbacks in budgets and personnel are causing rapid deterioration in the quality of health care, education, etc. This too re-

## Unemployment, cost of living, taxes, debts skyrocket

		1968	1978
economy slowing down	productive capacity of plants	92%	85%
unemployment more than doubled	number of unemployed unemployment rate	382,000 4.8%	1 million 9%
the cost of living doubled	inflation rate	4.1%	9.4%
the cost of food went up even more	the cost of an order of groceries for the average family	\$30.	\$75
taxes jumped by 25%	proportion of income eaten up by taxes	21.4%	26%
indebtedness of workers skyrocketed	consumer borrowing	\$9.8 billion	\$32 billion

sults in a lower standard of life.

### CAPITALIST PROFITS DOING WELL

To make up the profits lost by the drop in production, the capitalists are imposing speedups, "rationalizing" their operations from top to bottom, keeping wage hikes to 6% and less, etc. The only thing that counts for them is keeping down their production costs.

Result: right in the middle of a full-blown depression, their profits have gone up 15.9% in the last year. While the people are getting poorer, a handful of millionaires who exploit working people are

getting richer.

### SOCIALISM IS THE ONLY REAL SOLUTION

As our living and working conditions constantly deteriorate, as the struggles we waged in the past have to be taken up over and over again to defend and demand our rights, we can see that capitalism is a rotten, dying system. It's a system which holds no future for working people and only serves a handful of capitalists.

The only solution open to working people to put an end to the hardships brought on by capitalism is to take economic and

political power by force, and establish a socialist system.

This system will not be based on the search for maximum profit, but will ensure that the material and moral well-being of the masses of workers and people be met above all.

It is a system which will not be administered by a clique of capital-

ists and their faithful servants, but led and controlled by the working class.

It is the dictatorship of the proletariat which will reign under this system, and workers will be the ones who make the laws, and administer the justice in order to defend and protect the people and answer ever better to their needs.

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