

PQ appoints right-wing billionaire as Hydro-Québec chairman

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Pierre-Karl Péladeau, a billionaire notorious for his right-wing politics, took over the chairmanship of Hydro-Québec, Quebec's largest publicly owned enterprise, last month.

By entrusting Hydro-Québec's management to a prominent Quebec capitalist who has championed privatization, cuts to public services and further tax concessions for the rich, the provincial Parti Québécois government has underscored its eagerness to serve as the ruling class's instrument in imposing austerity on working people. Péladeau is the majority shareholder and former chief executive of Quebecor, a media and communications giant, which owns 40 percent of Quebec's daily papers by circulation, 25 percent of the province's French TV market, and the largest cable distribution company in the province, Vidéotron. Elsewhere in Canada, a subsidiary of Quebecor owns the *Toronto Sun* and the Sun News cable channel, both ardent promoters of right-wing populism, as are Péladeau's *Journal de Montréal* and *Journal de Québec*.

It is as the head of this media empire that Péladeau has assumed an increasing prominent political role, emerging as a spokesperson for the most vicious and avaricious sections of the bourgeoisie, who are baying for an immediate, all-out assault on all the social gains of the working class.

Péladeau frequently complains that trade unions have too much power in Quebec. In reality, over the course of the last three decades, the trade unions have smothered the class struggle, imposing job, wage and social spending cuts. They are completely integrated with both business and the provincial government through a series of tripartite committees and have also become major shareholders in a number of companies by way of union-controlled investment funds such as the Solidarity Fund of the Quebec Federation of Labour and the Fondation of the Confederation of National Trade Unions.

The real targets of Péladeau's denunciations of "union power" are the rights won by workers during the militant struggles of the 1960s and 1970s. *Le Journal de Montréal* has been an ardent promoter of *Les lucides* (the Clear-eyed), a group of journalists, academics and former PQ and Liberal

Party politicians led by former PQ premier Lucien Bouchard, that has campaigned since 2005 for the Quebec government to rapidly dismantle social programs and massively reduce taxes on big business and the rich.

More recently, the *Journal de Montréal* and Péladeau's other Quebec tabloids have published a series of sensationalist reports on the theme "Quebec in the red" so as to agitate for massive spending cuts. Péladeau's newspapers have also fueled anti-immigrant chauvinism by denouncing the state policy of "reasonable accommodation" to ethnic and religious minorities and by decrying the abandonment of "our" Catholic Quebec culture. This chauvinist campaign has been adopted by the PQ, including in its call for a "Quebec citizenship" law that would strip Canadian citizens born outside Quebec of certain political rights if they couldn't demonstrate, after three years' residency in Quebec, "appropriate knowledge of the French language."

In a surprise announcement that was not preceded by any public debate, PQ Premier Pauline Marois rushed Péladeau's appointment as Hydro-Québec chairman through an emergency cabinet meeting in mid-April, so that he could personally oversee a drive to increase the profitability of the province's largest state enterprise.

With 61 plants, Hydro-Québec is the largest producer of hydroelectricity in the world. In 2012, its sales exceeded \$12 billion, with an \$860 million profit, most of which goes to government coffers. Its total contribution to the province's finances—in the form of dividends, taxes of all kinds, and hidden subsidies to privately owned aluminum smelters in the form of cut-rate electricity prices—amounts to several billion dollars annually.

For big business, these are profits that should be rightfully theirs.

In its November budget, the PQ launched a campaign to restructure Hydro-Québec at the expense of its employees and the province's working people as a whole by announcing plans to eliminate 2,000 jobs at Hydro-Québec, 10 percent of its total workforce, and increase electricity rates for ordinary consumers,

Having sought and obtained from the Marois government the management of Hydro-Québec, Péladeau will exploit this strategic position to send thousands more jobs to the chopping block, increase electricity rates for working people, and prepare what is one of the main engines of the Quebec economy for privatization.

While managing Québecor, Péladeau has accumulated much experience in the elimination of jobs. In the last fourteen years, he has imposed 14 lockouts with a view to forcing through concessions and job cuts. The lockout at the *Journal de Montréal*, for example, lasted from 2009-2011 and resulted in three-quarters of the 250 workers losing their jobs through layoffs and forced retirements.

“Pierre-Karl Péladeau will rock the boat, we need him at Hydro-Québec,” said the leader of the far right *Coalition Avenir Québec* (CAQ), François Legault, in response to his appointment as the new Hydro-Québec chairman. “We have said that there are 4000 jobs too many.”

QMI, the news agency of the Québecor Media group, cited Claude Garcia, a former executive of Standard Life: “Another priority is to continue increasing the productivity of Hydro-Québec. Three years ago, 2,500 posts were removed, but there are still about 7,500 positions too many.”

This is the same Garcia who in 2007 called for the privatization of Hydro-Québec during a conference attended by Péladeau and organized by the Economic Institute of Montréal (EIM), a neoliberal think-tank some of whose most prominent members write for the *Journal de Montréal*.

“The improvement of Quebec’s financial situation requires higher electricity rates,” said Garcia. He cited Alberta, a province that “opened up the development of its natural resources to the private sector and pays for its oil at market prices,” as a model for Quebec.

What is really at play was revealed by Garcia’s co-speaker, Marcel Boyer, then Vice-President and Chief Economist at the EIM. “Hydropower has a phenomenal value that has increased dramatically as a result of market deregulation, but from which we have not drawn all possible benefits,” he argued.

No doubt, many business people present—Péladeau in particular—were salivating at the thought of one day being able to get their hands on a prize such as Hydro-Québec.

That day has now arrived. And, just as many times in the past, for example, with Lucien Bouchard’s massive budget cuts in 1996 in the name of a “zero deficit,” it is a PQ government that is taking a major new step in implementing the ruling elite’s program of social reaction.

Péladeau has longstanding ties to both the federal Conservatives, now led by Stephen Harper, and the PQ.

Former Conservative Prime Minister Brian Mulroney has long sat on the board of directors of Québecor, and Sun TV

was set up with the active encouragement of the Harper government.

In 2001, a PQ government led by Bernard Landry ordered the *Caisse de Dépôt et Placement du Québec* (The Quebec Deposit and Investment Fund, which manages public pension plans) to provide \$3 billion dollars of Quebecers’ money to finance Péladeau’s acquisition of Vidéotron. Two years ago, the current PQ leader and premier of Quebec, Pauline Marois, caused a revolt within her parliamentary caucus when she ordered it to support Bill 204—an undemocratic law that prohibits law suits challenging a sweetheart deal between Québec City and Québecor Media for the management of a future amphitheater designed to accommodate a new National Hockey League franchise.

The nature of the PQ as a faithful defender of the capitalist ruling class was highlighted by Pauline Marois’ recent appearance at the annual general meeting of the Quebec Employers Council, which was held in Montreal.

“I repeat to you today: the government will balance the books,” assured the PQ premier. “During the last campaign, we heard people repeat every day that the PQ was held hostage by pressure groups and I do not have the courage to control public spending. However, that is exactly what I am doing,” boasted Maoris.

Referring to the appointment of Péladeau as Hydro-Québec chairman, Marois invited other “entrepreneurs” and “business leaders” to follow suit and “serve Quebec...with their experience and expertise.”



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