

# Quebec Federation of Labour's Solidarity Fund sponsors speech by Conservative Party leader Scheer

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Last month, just before the formal launch of Canada's federal election campaign, the Quebec Federation of Labour (QFL), the province's largest trade union umbrella group, sponsored—through its investment fund, the *Fonds de solidarité FTQ* or QFL Solidarity Fund—a speech by hard-right Conservative Party leader Andrew Scheer.

Why the QFL-affiliated Solidarity Fund chose to sponsor Scheer's Montreal Chamber of Commerce speech quickly became clear. In it, Scheer pledged that a Conservative government would not reverse the Justin Trudeau-led Liberal government's decision to restore the generous federal tax credits long enjoyed by union investment funds, like the Solidarity Fund and the Confederation of National Trade Unions' *Fondation*. To the chagrin of the union bureaucracy but also broad sections of Quebec business, the previous Harper Conservative government had phased out the special tax status of union investment funds, beginning in 2013.

Highlighting the role that these funds have played and continue to play in the province's capitalist economy, Scheer said, "In Quebec, labour-sponsored funds are an example of a winning formula where investor shareholders and corporate partners benefit from them for economic growth in all regions of the province."

This development constitutes a warning to the working class. The union bureaucracy, including Unifor, the Canadian Labour Congress, and the QFL itself, are leading an aggressive "Anyone but Conservative" campaign, seeking to muster votes to re-elect Trudeau's pro-war, pro-austerity Liberal government. But in pursuit of its privileges, the union bureaucracy is also willing to provide a platform for,

and work with, even more openly right-wing big-business politicians.

Scheer heads a party that is committed to imposing tens of billions of dollars in spending cuts, integrating Canada's military into US-led plans for nuclear war through its ballistic missile defence shield, and cracking down even more ruthlessly on immigrants, including in collusion with far-right forces.

The creation of the QFL Solidarity Fund in 1983 was emblematic of the shift of the unions in Quebec towards corporatist collaboration with big business and the state, and their promotion of a virulent Quebec nationalism.

The Fund was created through a deal struck by the QFL bureaucracy with René Lévesque's Parti Québécois (PQ) government, which, following in the footsteps of Reagan in the United States and Thatcher in Great Britain, had responded to the 1981-82 economic recession with a massive assault on the working class. This included including imposing brutal wage cuts and other concessions on public sector workers and threatening to fire teachers *en masse* when they defied an antistrike law.

The unions, with the QFL in the lead, smothered worker opposition to the concessions, including helping the government break the teachers strike.

As a supposed means of "saving jobs," QFL President Louis Laberge proposed the creation of a union-controlled investment fund, which would pool money invested by workers and others and use it to provide capital to support Quebec businesses. To further cement its relations with the QFL bureaucrats and strengthen the unions' integration with big business and the state, the PQ government, and later

Ottawa, agreed to back the scheme, by providing lucrative tax concessions.

In a remark which underscores that the union bureaucracy was highly conscious of its role in suppressing the development of an independent political movement of the working class and politically and ideologically buttressing capitalism, Laberge cynically quipped that the establishment of the Solidarity Fund was more “revolutionary” than founding a “workers’ party.”

Over the past 35 years the Solidarity Fund has evolved to become the province’s largest venture capital investment fund, with assets of more than \$10 billion. It has invested in businesses big and small, and in keeping with its original mandate has helped organize numerous restructurings of companies in financial difficulty, combining injections of capital, with the imposition of wage and job cuts or other concessions to boost corporate profits and investor returns.

In their role as Fund directors and managers, senior union officials have worked hand in hand with the crown jewels of “Québec Inc”. Billionaire Pierre Karl Péladeau's cable company Videotron, Air Transat, the airline once headed by Quebec’s current right-wing premier François Legault, and even the corrupt engineering firm SNC-Lavalin have all made massive profits thanks to the Solidarity Fund’s support and the cuts in wages and working conditions the unions have helped impose.

The development of the Solidarity Fund is merely one example of the global transformation of the trade union bureaucracy into appendages of corporate management and the capitalist state, with interests antagonistic to the workers they claim to represent. From the early 1980s onwards, unions all over the world, from Britain and Germany to the United States suppressed the class struggle, imposing sweeping wage and job cuts, while top union officials joined company boards, other co-management structures, and tripartite union-government-business committees. In a parallel process, in the ensuing decades, the traditional union-supported and aligned social-democratic parties, the British Labour Party, Germany’s Social Democrats, and in Canada the NDP, shredded their reformist programs, joined the assault on the public services and the social programs they previously had held up as proof that

capitalism could be “humanized,” and supported the revival of war as a key instrument of imperialist foreign policy.

Formally, the QFL and the Solidarity Fund are separate entities. But the links between them are incestuous, with the two organizations headquarters in the same building and sharing much of the same top personnel. Until 2014, the QFL president was automatically appointed to head the Solidarity Fund. Things changed when a powerful section of the elite and the media used the Charbonneau Commission’s revelations of union involvement in corruption in the construction industry to attack certain privileges of the union bureaucracy, including its tight control over the Solidarity Fund.

In the name of greater “transparency”, the QFL top brass agreed to reduce the number of union officials on the board of directors and to offer the CEO’s role to a member of the big-business elite. While the union bureaucracy’s grip has been loosened, the Solidarity Fund continues to provide it with fat incomes, influence, and lucrative connections. About half of the members of its Board of Directors come from the union bureaucracy, and many other present and former union bureaucrats help staff the Fund’s lower-level committees.



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