

# CUPE WIRE

Official Publication of the Canadian Union of Public Employees, Local 38  
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## When Did Tax Become a Four Letter Word?

*Excerpt from Alex Himmelfarb speech*

Canadians have traditionally had a more benign view of taxes than have our anti-tax neighbours to the south. We have understood that taxes are the price we pay for civilization and for a better future. While there are legitimate disputes regarding how much tax and of what sort, we have generally accepted higher taxes as a way of funding public goods and services, redistributing income to avoid the worst excesses of inequality and shaping the future to the extent we can.

But lately another story has been unfolding. It has become a political truism over the past two decades that any politician would have to be nuts to propose tax increases.

So how did “taxes” become a bad word?

In the late 1970s and throughout the eighties, neo-liberalism – free-market ideology – took full bloom in the aftermath of the serious economic stagnation of the time.

The solution, according to neo-liberals, was to let the market do its work and get government out of the way. The best way to do that: cut taxes. The sales pitch was simple and it was perfect politics: Tax cuts would be so good for the economy they would pay for themselves.

The notion that taxes are somehow separate from the services and goods they buy is now part of political culture and it has distorted the conversation in Canada as well. One way that this idea is maintained is through the false promise that only waste and inefficiency will be cut. But tax cuts on the promise of ending the gravy train almost never find enough gravy.

As we cut taxes and make them less progressive, the costs accumulate. In community after community in the U.S., fire stations are privatized, streetlights dimmed, essential services choked. But more insidious and worrisome is the inevitable rise in inequality.

The Conference Board of Canada is the latest to sound the warning that inequality is on the rise in this country. As British researcher Richard Wilkinson has documented, extreme inequality – in particular, the growing gap between a few very rich and the rest – is corrosive and costly. It diverts capital, stifles demand, and deprives us of the talent we need,

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## Contractors vs. Employees

Over the past year, we have received numerous complaints and questions regarding the use of contractors within Local 38’s jurisdiction. There have been many reasons offered by the employer as to why contractors are utilized for work, but primarily, the claim seems to lie upon getting the work for cheaper rates. This argument rarely survives scrutiny, as the contract company not only pays the individual wages and benefits, but the company will also charge Enmax a fee for providing the services. At the end of day, contracting out rarely saves money, and in fact, usually ends up costing more.

The question we most often get is what defines a contractor from an employee of Enmax. This issue is complex and a variety of factors are looked at. However, a key issue defining a contractor is which party (the contract company or Enmax) exercises direction and control over the employee performing the work. If a “contractor” takes day to day functional direction from Enmax, participates in staff meetings, intermingles work between Enmax staff and the contractor, there is usually a strong case to make that the contractor is not independent. In these situations, Local 38 is able to make the claim of “common employer” before the Alberta Labour Board and have the contractor properly classified as an Enmax employee.

There are other factors that do impact the determination of the contractor’s status --- who pays the individuals wages, and who has the ability to impose discipline, and contractor use of Enmax equipment and office space are some examples. However, the issue of functional direction is an important factor that would likely bring a greater level of scrutiny to the contractor in question.

We strongly encourage any member to forward to us names and titles of those contractors in the organization that the member may suspect as not being properly classified as a contractor. If contractors are participating in team functions, staff meetings or engaged in other corporate functions, it is important that we receive this information.

Given the increasing use of contract companies by Enmax, it will be important moving forward that we hold the employer accountable in the use of contractors.

**Union Appreciation Event  
The Calgary Roughnecks are  
offering discount tickets to  
CUPE 38 members!**

**Calgary Roughnecks vs. the Georgia  
Swarm**

**Saturday March 4th, 2017 at 7:00 pm**



**Versus**



**Tickets are \$20.00 each**

**Check the website at  
[www.cupe38.org](http://www.cupe38.org)**

**For the announcement containing the  
link to purchase your tickets**

**Limited tickets are available and are  
NOT available thru the CUPE office**

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and erodes trust and undermines democracy. It also eventually turns us against each other.

When the middle rungs of the ladder disappear, when the gap becomes too great, feelings of superiority and inferiority follow. Many at the top come to believe that they deserve all they have. In extremely unequal societies, the rich, believing that they truly are the job creators, will often exert their considerable influence to fight against paying more taxes, and they have been very successful.

At the other end, if the ladder's rungs seem too far apart to climb, then those at the bottom will wonder why they should try at all. If we think that others will exploit the system or turn it to their advantage, if we believe the game is unfair, rigged, why participate, why vote, why pay tax?

But we are not there yet. Canada remains more equal than our neighbour and we still have extraordinary assets and great promise. Many provincial governments have resisted the call for more cuts. But we certainly cannot afford to wait much longer as the bills for our free lunch pile up: growing inequality, sagging productivity, a deteriorating environment.

We will not retake the future until we change the conversation and that has got to begin with a commitment to greater equality and fairness, to jobs and opportunities for the many rather than wealth for the few, to dignity for all those who fall out of the market in tough times or cannot get in through no fault of their own.

We have to be smart about taxes and we will all have to carry the burden. The consensus among economists was that cutting the GST was a mistake, and most would also defend the HST. And sooner or later we are going to have to put a price on carbon to share the costs of a new economic and energy paradigm. But a good place to start is to ask the rich to step up. When it comes to taxes, it is smart to be progressive, to ask the rich to pay a bit more for that lunch that none of us is getting for free and to ask those who do the greatest damage to the commons to pay more for its preservation.

There is no solid evidence that tax cuts are the road to economic growth or that tax cuts for corporations and the rich produce jobs. Our love affair with low taxes is based on unproven assumptions about the benefits and no accounting of the costs.

It is time to make hard choices about the Canada we want, about what services we see as essential, about how much inequality we will tolerate, about our willingness to take back the future.

**THOUGHT FOR THE  
MONTH**



You do not determine your success by comparing yourself to others, rather you determine your success by comparing your accomplishments to your capabilities

~ Zig Ziglar

## Advance Notice of CUPE Local 38 Elections

At the Regular General Meeting on April 25, the following positions will be open for a two (2) year term:

1. Business Agent (full time)
2. Vice President
3. Recording Secretary
4. Five (5) Executive Members-At-Large
5. Trustee (3 year term)

To be eligible for nominations for any of the offices, members must have attended at least 50% of the Regular General Meetings in the twelve (12) months immediately prior to the election. The member must be present at the April meeting, or indicate in writing to the Recording Secretary a willingness to stand for nomination.

In accordance with the CUPE Local 38 bylaws, in order to be eligible for the office of Business Agent, Vice President and Recording Secretary, a member shall declare their intention to run at the March Regular Meeting. This declaration can be made verbally at the March meeting or by submitting a written declaration witnessed by another member which is to be read at the March meeting.

## Kudos to the Public Sector

Too often we see special interest groups such as the Canadian Taxpayers Federation attack the public sector, and downplay the importance of the work we do.

Last week, however, Deloitte Canada (the Canadian branch of the well-known international consulting firm) and the Institute of Public Administration of Canada gave the Alberta Public Service their Gold Leadership Award at a lunchtime event in Toronto for the effective response not just to the huge wildfire, but to its complicated aftermath as well.

“Alberta Public Service members stepped up, working with the task force and public service leaders to activate the province’s Emergency Co-ordination Centre for the first time,” said part of the news release sent out by Deloitte’s PR department in Toronto yesterday morning. “The deployment of resources to distribute emergency financial donations, and to manage the operation of reception centres and other social supports, captivated the public and global media for weeks.”

A number of our members volunteered to provide assistance during this time, working in Fort McMurray alongside emergency workers. While individuals were not named in the award, everyone who participated in the relief effort, whether it was in Fort McMurray or whether it was here in Calgary providing aid to those who displaced by the fire, should take pride in this acknowledgement.

The next time you see a report challenging public sector workers, remember, it is not the Canadian Taxpayers Federation or the Canadian Federation of Independent Businesses who step up in times of emergencies, it’s public sector workers.

### Do you know Joe?



Come out to meet Joe Ceci, former CUPE 38 member, City of Calgary Councillor and now Calgary-Fort MLA on March 28, 2017!

Hold the Fort II: A Helluva Good Time with music, libations, and conversation at The Ironwood Stage and Grill in Inglewood. Hosted by the Calgary-Fort NDP.

**When:** March 28, 2017 at 4:30pm.

**Where:** Ironwood Stage and Grill; 1229-9 Ave SE

Tickets at <http://www.albertandp.ca/events>

### Connect with CUPE 38

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# Get involved!

## REGULAR MEMBERSHIP MEETING

*All CUPE 38 Members Invited to Attend*



**When: Tuesday, February 28, 2017**

**at 7:00 p.m.**

**Where: CUPE 38 Office,**

**1439-9 Avenue SE**

### **Business: Regular & Elections**

**Elections:**

- 1. Two (2) eligible Delegates to the CUPE Alberta Convention, March 15-17, 2017 in Red Deer.**
- 2. Eighteen (18) eligible Delegates to the Alberta Federation of Labour Convention, April 27-30, 2017 in Edmonton.**