

The battle for Ontario

By Bill Kilpatrick

FOR THOSE WHO may be wondering why Premier Doug Ford would do something so stupid like risking the financial viability of the LCBO, and hence the province, at a time when Ontario needs the income from the LCBO more than ever, you would not be alone. I hate to say I told you so, but remember when I said there would be a part two to the Dumb and Dumber move by the Ford government who uploaded the Don Valley Parkway and the Gardiners Expressway resulting in a \$6 billion deficit? Well, here it is. However, if you have been following the Ontario PC playbook this should come as no surprise as this has been part of his plan all along. While it seems to be difficult for anyone to remember much that happened pre-pandemic, myself included, here's a piece of pre-COVID history we should not forget: the dismantling of the LCBO has been part of Ford's plans since 2018. Those plans were disrupted during the pandemic, but now it's back to business as usual, which means dismantling Ontario's government business enterprises to the benefit of his friends and risking the long-term viability of the province. Back in 2018 Premier Ford commissioned a review of spending for Ontario and in it, according to a CBC article, it recommended, selling Crown corporations including Ontario Power Generation, Ontario Lottery and Gaming, and the LCBO. The CBC article quoted a portion of the report which suggested that "Ontario currently holds assets that could be monetized to generate a one-time cash payout by selling all or a portion of government business enterprises and/or owned real estate." At the time, the then Treasury Board president, Peter Bethlenfalvy, now the Minister of Finance said of the report, "This is about modernizing and transforming the way government does business. This is not about job cuts. We respect and value the work that the front-lines do." Now that the government is in monetary trouble due to its poor fiscal decisions, they are looking for a quick way out, but things don't seem to be working out as the Premier has intended. On top of the \$6-billion deficit it appears that the Ford government, and hence Ontarians, will also have to pay out at least \$225 million to the Beer Store for moving things along "ahead of schedule," regarding the Beer Store's dismantling. According to another CBC article the cost could actually be closer to a billion dollars, plus multiple Beer Store and LCBO closures, the loss of hundreds if not thousands of jobs and a reduction of government revenue. But on the plus side you'll be able to purchase booze at 8,500 new locations to help blot out the depressing state of fiscal affairs in our province. The CBC article quotes numbers from the Ministry of Finance and the LCBO that estimate a loss of yearly revenue of \$150-\$200 million. The estimates of Ford's revamping of the alcohol distribution and retail system by the Ontario Liberal Party include the costs of the 10 per cent wholesale rebate, at \$74 million, another payment of \$375 million for the LCBO's cost-of service-fees, and a loss of another \$300 million by not charging retailers a licensing fee. Add this all together with the \$225 million pay out to the Beer Store and we're looking at close to a billion-dollar price tag. A Global News article quotes OPSEU president Colleen Macleod who stated the obvious, "You can't add 8,500 more locations to sell alcohol in this province and expect that the LCBO will still be around," said MacLeod, "There will be store closures, that's clear." I'd say this qualifies as Dumb and Dumber. This liberalization, privatization, or dismantling of the Beer Store and the LCBO is also a convenient way to break the unions and reduce decent paying jobs that help support employees at both businesses. Currently the LCBO employees voted 97 per cent in favour of a strike that could place as early as July 5. The Global News article quoted a spokesperson for Minister Bethlenfalvy's office that purportedly said "the threat of a strike by the LCBO as the province's main alcohol provider illustrates why it needs to modernize and liberalize how alcohol is sold in Ontario." Which means union busting, because it clearly contradicts their 2018 comment that "This is not about job cuts. We respect and value the work that the front-lines do." They only seem to respect workers when they don't stand up for their rights and allow the government to destroy their livelihoods. "It's not about job cuts" is a phrase that is just as meaningless as "front line heroes." As a former employee of the LCBO I witnessed first hand the constant defunding of the front line workers, whose positions became more precarious as they got less and less hours with no guarantee of any hours at all. There were less summer hires to help out during the busy summer season meaning more and more work for the few employee left despite the massive profits made by the corporation. The lack of employees meant reduced customer service and less product on the shelves which frustrated and angered many customers. Then the paper bags were removed, which equally frustrated and confused customers. The excuse from on high is always the same, there's no money. But according to the LCBO's own numbers they are making record profits yet again and those profits have been steadily increasing since the dividend program began back in 93-94, when the first dividend was a mere \$630-million. In 2023, according to the LCBO's annual report, they made record profits yet again resulting in record dividends for the government of \$2.58-billion, but there never seems to be any money for the employees or the day-to-day operations. Hmmm?. seems that someone is lying about having no money. The LCBO, contrary to popular belief regarding government corporations being

dysfunctional, is a shining example of how well government corporations can be run, which is why private corporations want their greedy hands on it. The problem is that it has been run too well. This is not about more choice for Ontarians, anyone who has been to an LCBO or beer store knows there is plenty of choice and if they don't have what you want they will order it. This is about the desire to weaken and erode union power and the endless rapacity of private capital. As Noam Chomsky observed back in 2011, "That's the standard technique of privatization: defund, make sure things don't work, people get angry, you hand it over to private capital." While this may seem like a good short term solution to paying down the deficit, Ford's own review of spending warned, "It is important to understand that the trade-off is foregoing future income." MacLeod said that she feels the LCBO workers are in "for the fight of their lives," and the rest of Ontario better wake up and see that this fight is about them as well. This is about fighting for workers rights, but it is also about fighting for a viable, prosperous, and stable Ontario, that our Premier is fine to sacrifice for short-term gains. This is not hyperbole: this is a battle for Ontario's future.