



## **INFORMATION UPDATE 2010 #20**

**July 5, 2010**

### **COMPANIES ARE DEMANDING THAT THE UNIONS ATTACK THE MOST VULNERABLE!**

The Local 1005 USW contract with U.S. Steel Canada expires on July 31, 2010. The formal negotiating process began on May 20, 2010, with the Local 1005 negotiating committee meeting with the company negotiating committee almost every day since June 7. Several issues have come to the fore in these negotiations which are issues all across Canada and in North America.

First of all, a trend began to develop in the early 2000's where over 240,000 steelworker pensioners in the U.S. had their pensions reduced by anywhere from 10-70%. Various steel companies either filed for bankruptcy or used Chapter 11 and used the Pension Benefit Guarantee Corporation (PBGC) to reduce the pensions. What this created was a taste by these corporations (one of which is now the largest steel company in the world, ArcelorMittal) for the huge profits that can result if companies no longer have to look after pensioners.

These companies no longer wanted to have workers in a defined benefit pension plan. They started to develop various savings plans; either called 401(K)'s in the U.S., pension trusts of various kinds, or defined contribution savings plans. All these plans promised workers huge sums of money after working 30-40 years, but after the various collapses of the stock markets, financial markets, market meltdowns, etc., not many people believe that these savings plans guarantee anything except uncertainty and insecurity in retirement. These companies are going full out to convince workers and their unions to give up their pension plans in exchange for savings plans. Companies no longer want to have any responsibility for workers' pensions, since they believe that this part of the value the workers create firmly belongs in the pockets of the rich rather than with the pensioners.

These companies are testing the workers in every workplace. Are the workers prepared to sacrifice the pensioners who have worked 30-40 years and agree to take away or reduce their pensions, their indexing, and their health benefits? Can the workers in a plant be scared, bought off, cajoled or bull-shitted that shafting the pensioners is no big deal, at least it will "save jobs" and make the plant "viable"? The corporations know that if they can get the unions and the workers to agree to this, it is then unlimited what workers will agree to, to "save their jobs!"

Or what of this scenario. In order to get the workers to agree to wipe out the pension plan, let's just start by doing it for "new hires." This seems innocent enough. After all, these new workers aren't even here yet to vote on whether they want a pension plan or a savings plan. Here again, it almost appears that the corporations want to see what the workers and their unions will agree to. If they are ready to give up over 50 years of bargaining and fighting for a pension plan and agree to give it up "only for the unborn", for the future, "what else can we do to the workers"?

Or what if the corporations ask the workers and their unions to agree to cut off health benefits for those workers who are really sick? Again it is almost as if the corporations want to see if the unions and the workers will agree to shaft the sick. After all, if the workers and the union will agree to do this, what else will they agree to do?

**For your information:** In a December 2003 Globe and Mail Article about what was happening to the steelworker pensioners in the U.S. , a union official in the U.S. was quoted as saying that they had tough choices to make. Think of it like this. If your house was burning and you have four kids, you have to pick two kids that will burn and two you will save. They decided to save the jobs in the plant and burn the pensioners!

This is definitely not the ideology of the working class. Even on the level of parenting, what parent wouldn't do whatever they could to save all four of the kids, or die trying? Who could live with themselves if they made a decision to save two and consciously let the other two burn! Unfortunately some of the cutthroat ideology of the rich has crept into the labour movement.

The only response to any of these demands is to say no, and no means no!

**For your information:** There is an old saying from up North and in the bush: **DON'T FEED THE WOLF!**

Do not underestimate what U.S. Steel is up to. They are trying to determine what the situation is amongst the workers at Stelco. They have demands for concessions. They want to see what the union and the workers will agree to. Will they sacrifice the pensioners? Will they sacrifice the unborn? Will they sacrifice the sick? If they can get the workers to agree to this, what makes anyone think they will stop there? Once you feed the wolf, what will prevent the wolf from coming back for more?

Our position is nobody, including the most vulnerable and those not yet members will be left behind or in any manner considered second class with fewer rights. It is objectionable of the capitalists to try to divide the working class by introducing a sense of privilege to this or that sector. Canadian workers know from their direct experience that they cannot defend themselves if they are divided based on privilege or any other way. To throw certain workers to the wolves because they are vulnerable because they are sick or injured or yet to be hired is not a practice of the working class but one that originates in the class privilege of the owners of capital. We cannot allow the bad practices of privilege and egocentrism ("I'm all right, Jack") infect our ranks. Our slogan is "All for one and one for all!"

### **What is needed to make Hamilton Works Viable?**

There has been much discussion lately on what is necessary to make U.S. Steel Hamilton Works viable. We feel that what is needed in Hamilton is 1) First of all; the Hamilton Plant needs a hot strip mill. Hamilton Works is most likely the only integrated steel facility in the world that cannot take a slab off of the caster and put it one the 4-stand in the cold mill to be rolled, without first having to leave the plant. Our slabs are now being shipped to various U.S. Steel plants in North America, and the coils that come back to be rolled through the 4-stand and then the Z-line also come from all over North America. Steel is one of the most expensive commodities to ship because of its weight, so this shipping of steel all over North America is a huge waste of resources, and an unnecessary expense. 2).The Hamilton Works also has hundreds of contractors employed in any one day. The wealth that these contractors produce goes first of all to the contractor company, and then to U.S. Steel. This also makes it difficult to have a viable steel plant. 3) It is next to impossible to have a profitable steel plant unless it is producing at over 85-90% capacity. 4.) Unless there exists a steel marketing board, to control the insane fluctuations in the selling price of steel, it is very difficult to ever have a consistently profitable steel plant.

What is disturbing for the workers at Local 1005 is that no measures are being taken to address the above issues, which are true structural problems, but rather it is presented that if only the workers agree to shaft the pensioners, the new hires and the sick, somehow this will turn things around. It must not pass.

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