



INFORMATION UPDATE #8

March 19, 2011

Steelworkers Organize Demonstration

March 19, 11 am

**Constituency Office of Conservative MP David Sweet
59 Kirby Street, Greenville**

USW 1005's Press Conference Opposes U.S. Steel's Latest Provocation

On March 17 at 3:30 pm USW Local 1005 held a press conference to denounce the latest provocation by U.S. Steel to ship out the Coke made at the Hamilton Works. More than 150 workers participated in the Press Conference which was also addressed by Mayor Bob Bratina.

Remarks by Rolf Gerstenberger, President of USW Local 1005

Hello to all of you. I will start the press conference by giving the views of Local 1005 and then I invite the Mayor to give his opinions. After that we will welcome your questions or, better still, we can have some discussion with the representatives of the press to get to the bottom of Local 1005's objections to U.S. Steel's phoney lock out. More often than not the media nowadays are interested in scandals and gossips rather than informing the public about basic issues. If this press conference can help you to do your job to inform the public, then we are happy to help.

First of all, we are opposed to the removal of Stelco coke from Hamilton Works whether to U.S. Steel's plants in the U.S. or to Lake Erie. Either way, the removal of the coke is a slap in the face of steelworkers and Hamilton. Lake Erie has its own coke ovens and the coke produced at Hamilton Works is a necessary input for use in steelmaking at Hamilton Works. By removing the coke, is U.S. Steel telling us that it has no intention to bargain in good faith and restart the blast furnace and steelmaking? Why does it not address this issue instead of making self-righteous statements about "serving Canadian clients?"

In this regard, we oppose reducing Hamilton Works to the production of coke, which is the polluting part of production, while Steeltown derives no benefits from steelmaking. We also oppose U.S. Steel's methods. Instead of negotiating in good faith, its tactics are to extort concessions. To abuse one's dominant position of power to extort something is not modern behaviour - it is mafia behaviour.

U.S. Steel tells us, "To receive our benevolence you must give us what we want - the indexing of your pensions and pensions for new hires. If you refuse, the 'company' will

not let you work."

How long are Canadians supposed to tolerate this kind of strong arm behaviour and arrogance? Why does U.S. Steel present the removal of the coke as if there is no lockout, as if its aim is merely to "service its Canadian clients"? We could give U.S. Steel the benefit of the doubt that the removal of the first 40,000 tons of coke is merely to "service its Canadian clients" but wouldn't that be convenient? We take note that at least 40,000 tons of this coke are on the verge of disintegrating and will be lost if not put into production. We also note that the suggestion that we are misinformed about the destination of the coke sounds fishy since Lake Erie Works is not running at capacity as is. Furthermore, whether or not we accept U.S. Steel's innocent albeit self-serving explanation about "serving Canadian clients," how does it make the real issue go away - that it has shut down production in Hamilton despite its commitments under the Investment Canada Act?

U.S. Steel suggests that for the union to call a spade a spade, is to wage an "ideological crusade." Are we to believe that when U.S. Steel accuses the union of being on an ideological crusade it is not being ideological? Do U.S. Steel and its owners think that we are backwater colonials who believe U.S. Steel has no ideology? Well, we don't believe such a thing. Do they have no ideas, no system of ideas? Are they empty headed? Perhaps. But we do have ideas and pay a lot of attention to make sure we work out ideas, which are consistent with the reality we face so as to provide solutions that favour our work force and the Canadian people and their economy. We do not just accept the ideas of U.S. Steel that claim that the aim of eliminating pensions is to help the economy!

We are happy U.S. Steel has raised this issue of ideology, which it would like to keep as the elephant in the room. Clearly there are two ideologies. For U.S. Steel to suggest it has no ideology is too funny to merit a response. It is like Mr. Harper saying he has no ideology.

Next, what are our governments doing? Governments are supposed to defend Canadians and their security and well-being. The federal government together with Ontario could pass legislation to restart Hamilton Works under a stand pat collective agreement. They pass legislation to force workers back to work all the time. Ontario is doing this right now with TTC workers even though the union said it wouldn't strike. The federal government has taken U.S. Steel to court in a lawsuit for damages for breaking its production and employment commitments under the Investment Canada Act. It could declare the lockout illegal and pass a back to work order demanding U.S. Steel restart production. Why not? Isn't the production of steel essential to the Canadian economy? Steelworkers, auto workers, and all other production workers and service providers produce the wealth society depends on for its living and governments should protect our jobs instead of presenting excuses for an alleged right of the monopolies to do as they please.

Why do governments not uphold public right? Nothing the governments have done to date leads us to believe they are acting responsibly. Take for example our region's member of the governing federal party David Sweet who has

been in the House of Commons since 2006. He is the Chair of the Standing Committee on Industry, Science and Technology and presides over the Steel Caucus. Under his rule, the Steel Caucus has not even been convened and this during a tumultuous period for Canada's steel industry, which has seen it 95 per cent sold out to foreign monopolies. Lake Erie Works and Hamilton Works were completely shut down on his watch contrary to commitments under the ICA. U.S. Steel first locked-out and blackmailed Lake Erie steelworkers to get pension concessions and now we are under attack. During this entire period, no attempt has been made to find alternative solutions to protect steel production in Canada.

We demand that the federal government do its duty, stop the removal of coke and end this phoney lock-out. We are calling a demonstration in front of Mr. Sweet's constituency office for Saturday, March 19 at 11:00 am - 59 Kirby Avenue Unit 3, Greensville.

We also reiterate our invitation for everyone to join us on May 1st on Parliament Hill to demand a change in the direction of the economy. The present direction has been proven to impose insecurity, wrecking of manufacturing, stepped up sell-out of our resources and assets, abandonment of social responsibilities and the shifting of economic problems onto the backs of the actual producers, seniors and youth. We are going to Ottawa to call on governments to stand up for public right not facilitate the rule of monopolies such as U.S. Steel who are abusing us and damaging our economy.

U.S. Steel's Concerns for the Economy - The Facts

See article in the Pittsburgh Business Times, Thursday March 17. "Citing the company's improvement within a challenging economic environment, the United States Steel Corp. Board of Directors increased the total compensation of Chairman and CEO John Surma in 2010 by more than three times what it was in 2009, according to U.S. Steel's proxy statement filed with the Securities and Exchange Commission."

"The bulk of the increase is by reinstating long-term incentives, which Surma declined in 2009. His base salary at \$1.1 million remained unchanged from 2009 levels, and his total compensation was \$12.2 million in 2010, up from \$3.6 million in 2009.

"Although, Mr. Surma's compensation increased in 2010, the increase was a direct result of the fact that he was among the lowest paid CEOs in our peer group of companies for 2009," the proxy stated. "The fact that he received no long-term incentives in 2009, at his request (and the Committee's agreement), was the largest contributor to his comparatively low 2009 compensation."

"In 2008, Surma had base salary of \$1.2 million and total compensation of \$14 million.

"Though U.S. Steel (NYSE: X) reported a net loss of \$482 million last year, that was an improvement over a net loss of \$1.4 billion in 2009. Sales were up 57 percent in 2010 to

\$17.4 billion.

"The board noted the company's policy of aligning executive pay with company performance as well as aligning compensation with long-term corporate performance and shareholders with stock requirements.

"Other executives named in the 2010 proxy were:

* Gretchen R. Haggerty, executive vice president and chief financial officer, with base salary of \$555,750 and total compensation of \$4 million.

* John H. Goodish, executive vice president and chief operating officer, with base salary of \$712,506 and total compensation of \$3.7 million. Goodish retired at the end 2010.

* James D. Garraux, general counsel and senior vice president corporate affairs, with base salary of \$494,798 and total compensation of \$3.4 million.

* George F. Babcoke, senior vice president of European operations and global operations services, with base salary of \$390,500 and total compensation of \$3.2 million.

"Like Surma, the base salary for Haggerty and Goodish were the same as 2009. Garraux's base salary was up 10 percent, and Babcoke was named to his current position last year.

"The integrated steelmaker is hosting its annual meeting of shareholders April 26 in downtown Pittsburgh.

(article by Malia Spencer)

**To contact USW Local 1005: Call 905-547-1417 or e-mail info@uswa1005.ca.
Visit the website: www.uswa1005.ca**