



## **INFORMATION UPDATE 2010 #18**

**June 21, 2010**

### **FEDERAL COURT RULES AGAINST U.S. STEEL**

On June 14, 2010 the decision was finally handed down by Justice Dolores M. Hansen from the hearings held on January 12, 13 and 14<sup>th</sup>, 2010 in Federal Court. The decision upheld the right of the Attorney General of Canada to sue for penalties against U.S. Steel for failing to meet its commitments under the *Investment Canada Act (ICA)*. Barring any further delaying tactics by U.S. Steel, the hearings should proceed.

U.S. Steel seized control of Stelco on October 31, 2007. The sale to U.S. Steel had to be approved by the federal government under the ICA. At that time, U.S. Steel made 31 commitments to the government of Canada, the details of which were secret. It was released later that two of the commitments were that U.S. Steel promised to maintain employment at the two Canadian facilities at 3,105 employees for three years after the sale, and they promised to produce over 4.3 million tons for three years also.

U.S. Steel began to reduce production when they closed the blast furnace at Hamilton Works at the end of October, 2008, just one year after they took over. On March 3, 2009 they announced that they were shutting down their whole Canadian operation. (After they shut down Hamilton and Lake Erie Works, they proceeded to supply their Canadian customers from their plants in the U.S.) After this announcement, the Federal government launched a lawsuit under the ICA, and demanded up to \$10,000 a day penalty for violating each of the two commitments. The penalty could be as much as \$14 million if U.S. Steel is found guilty of violating the ICA. It should also be noted that the United Steelworkers were awarded intervener status and are seeking nearly \$44 million in damages for lost wages and dues resulting from the layoffs.

It should also be pointed out that after laying everyone off, U.S. Steel locked out Lake Erie Works from August 3, 2009 until April, 2010. The workers at Lake Erie Works are back to work and Lake Erie is just now finally getting their blast furnace up and running. Besides the huge lose of production, the repercussions from this shutdown were that over 700 workers at Hamilton Works retired after March 3 rather than suffer a layoff of indeterminate length. Many of these workers who retired were in their late forties and early fifties. Many of these workers are now looking for work or actually working at other jobs.

U.S. Steel also used this situation to force the workers at Lake Erie Works to agree to a Defined Contribution savings plan for new hires and to stop indexing pensions for present pensioners. This after U.S. Steel went on record in September, 2007 that they had done their due diligence before purchasing Stelco, and claimed that they had no problem living up to their pension and benefit obligations to the workers in Canada. They are now in bargaining with Local 1005 and these concessions and more are on the table.

It is high time that U.S. Steel live up to their commitments to the Federal government and pay their penalties, that they pay the damages to the workers and the union that the USW has raised, and recognize that it is the workers (and the retirees before them) that create the wealth by producing the steel, and as such have first claim on the wealth that is created. It is unconscionable that the very workers who create the wealth are the ones that are attacked. It is also unconscionable that the company

is demanding that the union agree to attacking the most vulnerable in the society, be it new hires, those who are sick or injured, or those who are retired.

All the measures that U.S. Steel have taken prove that its seizing of Stelco is not a net benefit to Canadians, but rather has resulted in enormous damage to the well-being of workers, their communities and Canada's socialized economy. It is high time that they recognize that there are Canadian standard wages, benefits and pensions, and they should respect the demands of the workers. End Item

***The Attempt to Target the Most Vulnerable Must Not Pass!***  
***YOUNG AND OLD TOGETHER IN DEFENCE OF THE RIGHTS OF ALL!***

*U.S. steel is demanding Hamilton Works' steelworkers make concessions. One of the tactics is to split workers between young and old. Senior workers are told to go against their conscience and make concessions that affect younger workers or those yet to be hired. Younger workers are told not to concern themselves with their own future and give up those gains for security in retirement that the previous generation of older workers have already won. Employed workers are told to abandon pensioners especially those who are ill and rely on health benefits. The monopoly tactic is to generate so much disinformation about the cause of the economic crisis and financial problems so that it can succeed in splitting workers into generational groups that do not see themselves as a single indivisible whole. In this way, the owners of U.S. Steel capital hope to weaken and divide the Canadian working class so that they can seize more of the added-value produced at Hamilton Works and take it out of the country.*

*This tactic of disinformation and splitting is not new or original at Stelco. Who can forgive Stelco management, which in November 2003 attacked a most vulnerable section of Steelworkers, those who had been injured on the job or felled by illness? Management laid off over 100 steelworkers from their "Item 16" jobs to avoid meeting its social responsibilities and in doing so trample on the intent of a clause in the collective agreement to protect injured and sick workers and reintegrate them back into the workforce. The membership of USW Local 1005 was outraged and refused to accept this ploy to split them and single out a particularly vulnerable group for attack.*

*The same disgusting antics are evident today with U.S. Steel's demand that new hires be denied the defined-benefit pension plan that has been part of steelworkers' life and standard of living since 1956. New hires are not even present to defend themselves, so that makes them particularly vulnerable. Imagine, the company is trying to pressure and undermine workers who will not be affected to make a decision that will destroy a benefit for workers who have no say in the matter.*

*Members of Local 1005 USW have firmly declared that 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 an objectionable tactic of the capitalists to divide the working class by introducing a sense of privilege to this or that sector. Canadian workers know from 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 such as 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. Workers cannot allow the bad practices of privilege and egocentrism to infect their own ranks.*

*The slogan "One for all and all for one!" is alive and well in Local 1005.\*  
(\*The above article was re-printed from the June 17, 2010 issue of The Marxist-Leninist)*

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