



INFORMATION UPDATE #39

November 9, 2009

Oppose the Concessions Demanded by U.S. Steel From Canadian Workers!

According to documents filed in 2007, U.S. Steel expressed interest in purchasing Stelco on February 1, 2007. From February 1, 2007 to August 27, 2007 when it was announced that U.S. Steel was purchasing Stelco, U.S. Steel did its “due diligence”, part of which was looking at the wages, benefits and pensions that the Canadian workers were entitled to, and agreeing that U.S. Steel can live with those arrangements.

U.S. Steel has locked out the 1000 workers at Lake Erie Works since August 3, 2009 because the workers would not agree to take cuts to their wages, benefits and pension entitlements. According to a document produced by Local 8782 USW, U.S. Steel is demanding that the workers accept a drastically reduced cost-of – living formula, a freeze on the profit-sharing fund, and not have the fund apply for new hires, a reduction in shift premiums, a reduction in maximum weeks vacation from 7 weeks to 5 weeks, a reduction in severance entitlement from two weeks to one week per years service. They want to place new hires in a defined contribution plan as opposed to a defined benefit plan. US. Steel also wants to eliminate pension indexing and they want a 20% benefit co-pay provision for pre-approved benefits for active members and retirees.

U.S. Steel’s actions in locking-out these workers shows that they are trying to take advantage of the present economic crisis to worsen the working and living conditions of the workers. It shows that even though they supposedly did their due diligence they really had no interest in respecting the rights of the workers to a Canadian standard of living.

And again we ask, will reducing the wages, benefits and pension entitlements of the workers make the economic crisis better? Isn’t it a fact that all these demands for concessions will result in one thing: it means that there is less money going into the pockets of the workers who work, eat, sleep, and spend here in the Hamilton and Niagara Peninsula, and more money going into the pockets of the millionaires and billionaires who own U.S. Steel and live who knows where?

This must not pass!

ATTORNEY GENERAL vs. U.S.STEEL

We have just learned that the two court dates set aside to deal with U.S. Steel’s Charter Challenge Against the Government of Canada are set for January 11 and 12, 2010. U.S. Steel is claiming that the Government of Canada has no right to pass any laws or take any measures under the Investment Canada Act that infringes on U.S. Steel’s right to “enjoy its property”, that is, the factories that make steel at Hamilton Works and Lake Erie Works.

In fact they are saying the owners of U.S. Steel (and who they are and even if they are Canadian citizens is unknown) have the right to do whatever they want with these two mills that can produce over 4 million tons of steel, while the 900 workers and 9000 pensioners from Hamilton Works and the over 1000 workers and pensioners at Lake Erie have no rights to anything. What of the Canadian peoples

rights to have an economy that serves their interests? Or the rights of the workers to a Canadian standard of living? Or what of the Canadians peoples rights to be able to produce steel and create value so that we can afford health care, schools and social services? Instead we have no rights, but U.S. Steel has the right to “enjoy their property” by shutting the two mills down and laying every off?

Slowly but surely more and more of the details are coming out as to what commitments U.S. Steel made to the Canadian government when they purchased Stelco in October, 2007. The thirty-one(31) Commitments or undertakings have now been released in the Richard Lajeunesse Affidavit filed by the Canadian government to support the governments case that U.S. Steel violated at least two of the undertakings. After reading the undertakings, one has to wonder how any of these undertakings could be “secret”. It almost seems that this whole arrangement is designed to keep the workers and Canadian people out of the discussion and decision making process, ant it is only when things go off the rails that all these secret dealings become public. (For instance, on April 28 Local 1005 was told by lawyers for Tony Clement that it was a criminal offense for Tony Clement to tell the union what the 31 undertakings were.) Now these same undertakings are part of the public record and newspapers are writing about them?

We are reprinting a copy of a letter sent by U.S. Steel’s Chief Financial Office to the *Hamilton Spectator* on October 5,2007.U.S. Steel usually has a policy of not commenting on peoples’ concerns but in this case they were responding to concerns that Local 1005 USW had about the government and U.S. Steel changing sections of the pension agreement coming out of CCAA. We were told in March, 2006 that these two sections of the pension agreement were included to protect Local 1005’s pensioners. When U.S. Steel took over, they had these two provisions removed. Can we trust these fine words?

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