



Steel, Not Steal! Manufacturing Yes! Nation-Wrecking No!

**Rolf Gerstenberger, President USW Local 1005
Presentation at Hamilton Convention Centre, May 1st, 2010**

Our rally is part of the actions across the country calling for unity to defend manufacturing jobs, pensions, rights, oppose wars of aggression and occupation and fight for new human centred arrangements in society. These struggles for a modern society are taking place in the context of governments at all levels abdicating their social responsibility to serve the public good and not monopoly interests. The workers' demands for a pro social economy where the social wealth produced by them ensures the people's well being is diametrically opposed to existing arrangements which serve monopoly right and facilitate the wrecking of the nation for narrow private interests.

Besides the destruction taking place across the country in steel, forestry, auto and other industries, the recent Throne Speech and Budget of the Harper government announce a vicious anti-social agenda. Canadians face this dangerous agenda with no opposition within Parliament to provide an alternative so that the people are not made to bear the burden of the crisis. In the name of high ideals, governments at all levels are handing over public money to private interests, privatizing, reducing public services and making other arrangements that facilitate monopolies making yet bigger and bigger scores. One such high ideal is that if we do not let the monopolies plunder the public treasury and act with impunity, they will take their investments elsewhere and then where will we be? We must defy this blackmail. We produce the wealth in this country. Why is the wealth we create not reinvested in Canada? Why are the huge pools of capital in the pension funds not invested in Canada? Why is the term "high returns" defined to mean profits for the uber rich instead of being invested in healthy kids? Educated youth? Well looked after seniors? That is the high returns we want from the wealth we produce.

That is why we say that the workers must form the opposition themselves; we are the alternative, not political parties within the Parliament and legislatures who bicker amongst themselves to control the state treasuries to reap massive benefits from the proceeds of corruption.

In its March 3 Throne Speech, the Harper government shamelessly touts how it will further undermine Canada's sovereignty with changes to regulations governing foreign ownership in telecommunications. Under the current Telecommunications Act, telecom companies must be majority Canadian owned and controlled, although the maximum foreign investment permitted is already nearly half, or 46.7 percent. Despite this regulation, which barely ensures Canadian ownership, the Throne Speech states: "Our Government will open Canada's doors further to venture capital and to foreign investment in key sectors, including the satellite and telecommunications industries."

The Communications, Energy and Paperworkers Union points out that loss of sovereignty over this key sector could not only lead to loss of jobs but also a reduction of Canadian content and culture as well as the loss of privacy due to the imposition of foreign privacy laws and other services that are not geared towards the needs and security of Canadians but that of foreign countries or monopolies.

Meanwhile, the March 4 budget openly threatens public services and the workers who provide them. Public services are the very mechanisms through which a socially responsible government looks after the well being of its citizens. A press release from the Public Service Alliance of Canada states: "The March 4 federal budget freezes federal departmental spending. The government announced they want to balance the budget on the backs of public service workers a direct threat to our jobs and the services we deliver."

It continues: "We must speak out against cuts. Speaking out works. We saw this when the budget did not cut our pensions because we took action in the workplace. [...]"

"But our actions to protect our pensions must continue, even as we begin our campaign against the spending freeze. While the budget did not announce cuts to our pensions or changes to our contribution rates, it did say that the government would assess compensation, including pensions, against other jurisdictions to determine if our compensation is 'reasonable'."

In steel, the fact is that the so-called relief U.S. Steel is seeking does not resolve the crisis of pension under-funding because it is a crisis of U.S. Steel's own doing and it knows perfectly what it has to do. The company and Stelco before it had deliberately underfunded the pension plans so as to steal this social product from steelworkers. This underfunding has got to stop.

As far as analyzing the actions of U.S. Steel is concerned, we steelworkers at Hamilton Works are very objective in our assessment. They passed the burden of the economic crisis, which was much worse in the United States, onto Stelco steelworkers and that is not right. The government should not have allowed it. It is inexcusable and socially irresponsible for the government not to defend its own people and allow U.S. Steel to act with impunity. We as a Workers' Opposition cannot allow this to pass. We are determined to turn the situation around and not allow these monopolies such as U.S. Steel, Vale, National Steel Car, Ford, GM, Sears, Labatt InBev and others to act with impunity and wreck our economy and lives and all that we have fought to attain during the twentieth century.

President Rintoul of U.S. Steel Canada speaks as if no harm has been done to us or the economy with his company's antics since 2008. He even has the gall to say that by ending the defined benefit pension plan for new hires, his monopoly is now even more "competitive and sustainable." First of all, he has not ended the defined benefit plan for new hires at Hamilton Works and the retired and active members of Local 1005 are determined that such a double standard will not pass.

Rintoul's company and others are causing a great deal of harm. His monopoly has caused a huge loss of production of steel for the Canadian economy, an equivalent of hundreds of millions of dollars. Who is going to replace that lost social product, which the provinces and Canada need to fund their social programs and renew the economy? We see nothing in the Lake Erie Works' back-to-work agreement from the company that provides sustainability for the workers, community and economy that has lost so much from the actions of U.S. Steel. Rintoul only speaks from the narrow range of his company's global competitiveness and sustainability. He has not said a word about the problems we are facing in this community from the wrecking of manufacturing. Does he not hear the cries of woe coming from Parliament and Legislatures across Canada that no money is available to fund our social programs? U.S. Steel is partially responsible for that but Rintoul thinks that he can just sweep it under the carpet and let bygones be bygones and that somehow U.S. Steel's global success will trickle down and sustain us here in its annexed outpost. In plain English, he says if Canadians claim less from what they produce then the owners of capital can claim more

and life will be hunky dory. But life doesn't work that way. The claims of the monopolies on what we produce and their refusal to renew the economy in favour of the people are making life unsustainable for us.

By omitting any mention of reparations for the damage U.S. Steel has caused, Rintoul is telling Canadians to give up their victories during the last one hundred years, accept less, and sit idly by as the manufacturing base is wrecked and the social fabric of the country destroyed. But we Canadians are not about to do that. Someone has to pay for the damage this crisis has caused; workers were sure not responsible and they should not be forced to suffer. Rintoul and others in positions of authority have not even apologized for the harm they have caused during this crisis or said anything serious on how things could be changed to avoid this ridiculous business cycle, where the troughs seem to be getting worse and worse. We have suggested various things to renew the economy, such as turning Stelco into a public steel enterprise that could be the backbone of a self-reliant Canadian steel industry immune from crisis, but the mass media and governments won't even discuss our proposals.

U.S. Steel, Vale and other monopolies act as they do and refuse to renew the economy in a pro-social way because they are only out to protect their narrow business interests. Rintoul makes that very clear in his press release. He speaks of how great it is that workers have agreed to end the defined benefit plan for new hires because that solves a problem for the owners of U.S. Steel capital and debt. Sorry Mr. Rintoul, that does not solve anything for the workers and middle strata of Canada. Ending a defined benefit pension plan adds to our insecurity. Even according to Rintoul, to the same degree that we agree to increase our insecurity, it adds to the company's competitiveness and sustainability. Now that teaches us a lot about the contradiction we face with this company and monopolies in general. Their monopoly right negates our public right and vice versa and that is how the world presents itself at this time and we are becoming clearer and clearer about the reality and the necessity of organizing ourselves into an effective Workers' Opposition.

What directly benefits this U.S. monopoly makes our lives worse. What is good for the goose is not good for the gander, in this case the former Stelco and its workers. We have information that 39 Lake Erie steelworkers lost their homes due to the yearlong shutdown of the mill. That is not right. Is U.S. Steel going to step in, return their homes, and repair all the damage it has done since taking over Stelco? We don't think so unless it is forced to do so. Instead of doing what is right, U.S. Steel has issued a press release to its owners of equity and debt that things are better because it has ended the defined benefit plan for new hires at Lake Erie Works. But the problem with the existing pension plans and how to fund them has not been sorted out with this underhanded maneuver because the vast majority of retirees are at Hamilton Works and Local 1005 views its members as a unified whole with the same rights and duties. We started the fight for security in retirement with the great strike of 1946. It took us a decade more of struggle to win a defined benefit pension plan for all members and we have no intention of going backwards towards the insecurity of an RRSP savings plan for new hires or any other active, retired or potential members. We want to go forward to security in retirement for all Canadians with a government guaranteed defined benefit plan. This means going beyond company defined benefit plans to government defined benefit plans that guarantee the same income workers had during their working years. That is what we mean by nation-building - going forward, solving problems in a pro-social way not wrecking the gains that have been made and leaving Canadians to fend for themselves within an economy and society that is completely socialized yet controlled by a privileged elite disconnected and unconcerned with the people's well-being and the general interests of society. We do not intend to go backwards to the crazy insecurity of a savings plan where your only security is to die before your savings run out.

When U.S. Steel took over Stelco by handing over a pile of cash to some finance capitalists from Toronto, New York and North Carolina, it promised to keep producing steel, keep employment at a certain level and to respect our defined benefit pension plans. They have now broken every promise they swore to in writing. What kind of unscrupulous people are they? Why have they been allowed into a most important sector of our economy? That is like inviting some two-bit thug into your home while you are away. What sane person or government would allow such a thing?

U.S. Steel has not upheld its commitments to the country or to the pension plans and the proof is in the shutdowns and in the ending of the defined benefit plan for new hires at Lake Erie Works. Shame on the company for behaving like a hooligan and shame on the government for standing idly by and doing nothing while all this happens to its own people.

By the way, did you know that the owners of U.S. Steel debt continued to receive their interest payments during the crisis? Those payments didn't miss a beat. And the company even continued to pay dividends on its stock while steelworkers in Canada and the U.S. were losing their homes and living in insecurity and the company was breaking Canadian investment law! That is not right! It must change! Workers have to find a way to exercise control over the economy and over politics. The disastrous actions of these monopolies have to be restricted. Workers are the majority in this country and they have to make their voices heard. They have to make their voices matter in economic and political affairs. Workers are a majority but they are not a majority in Parliament or the legislatures. That has to change and workers are determined to change it with a program for political empowerment and nation-building. This is our country. This is our economy.

Why is it that a foreign monopoly or some privileged elite can do whatever they want no matter how badly their actions hurt Canadians? Why is it not considered illegal to attack Canadians and their rights? Just in the last few weeks, the U.S./Belgium beer monopoly InBev, which owns Labatt, shut down the Lakeport Brewery and is now stripping the factory clean of its equipment so no brewing can take place leaving 143 workers unemployed and Hamilton without any production of beer. This story parallels that of U.S. Steel, Vale, Xstrata and many others. Two years ago, InBev gave a huge bribe to the owners of Lakeport brewery to take control of the plant only to shut down the operation and eliminate any competition from Hamilton beer production. That is what is meant by increasing the competitiveness and sustainability of these monopolies. Why is this not considered a crime? The only thing we hear from Parliament and the Legislatures is how we must make the global monopolies competitive on the backs of the working class. What are we, chopped liver? To the rich and their big companies we are a cost of production. That is not right. They have it wrong. The amount from what workers produce that the rich and their monopolies take out of the economy is an unaffordable cost to workers, to us Canadians! We cannot afford to have the rich and their monopolies taking value out of the economy and expect it to be sustainable. We the workers have to turn the country right side up. We the workers have to become history makers instead of watching history being made for us by people and events we do not control.

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