



## **INFORMATION UPDATE 2010 #15**

**May 31, 2010**

### **NEGOTIATIONS WITH US STEEL CANADA**

**For Your Information:** Local 1005 USW met with the negotiating team from US Steel Canada on May 20, 2010. It was agreed that the parties would work to reach an agreement as soon as possible before the July 31, 2010 contract expiry date. The parties outlined their concerns in the upcoming negotiations, with some preliminary discussion on possible solutions to the problems. The next meeting is scheduled for June 7, 2010.

### **MEETING WITH MAX AICHER NORTH AMERICA (MANA)**

**FOR YOUR INFORMATION:** On April 29, 2010 MANA announced that they had reached agreement with US Steel to purchase the #3 Bloom and Billet Mill and the Bar Mill. Several members of the Local 1005 USW executive met with representatives of Max Aicher North America (MANA) on May 28, 2010. Thomas Fetzner the CEO of MANA outlined what their plans are for the facilities in Hamilton and how they fit into their plans worldwide. (Max Aicher currently employs 130 workers in North America and 3000 worldwide. The acquisition of the US Steel plants will result in the creation of about 200 new jobs.) The talks also dealt with the upcoming contract discussions that will occur in the next few months.

### **MORE DISCUSSION ON THE PENSION ISSUE**

The pension issue will not go away. Every day with the increasing uncertainty in economic affairs, more and more the demand is expressed that people want to live in security in their retirement. The role of government is to insure that the people in the country are provided with health care and a retirement income that is up to Canadian standards. Everyone has this right.

It is because the Canada Pension Plan and Old Age Security are so inadequate (which if this is the only income one has to rely on in retirement leaves one living in poverty) that unions had to negotiate pension plans at their place of work to try to insure that workers had a secure retirement. (However, over 70% of workers do not have workplace pensions.) The pension plan at the former Stelco was established in 1956, and it was structured as a Defined Benefit (DB) pension plan. This was the preferred pension plan for unions because it provided that the workers received a certain defined benefit each month until the worker died, and then had provisions that the worker's spouse received a smaller amount until he/she died.

Out of the wealth that the workers create at the place of work (using machines, and using up raw materials to create steel, autos, fridges, etc) a certain amount of the value created is used to fund the pension plans. The benefit that workers receive is negotiated, and the companies are obligated to insure that the plan is funded so that the workers receive this benefit.

The reality today is that every company that has a defined benefit pension plan is trying to get out of this plan. Sometimes they use bankruptcy protection (CCAA in Canada and Chapter 11 in the US) to get out of their DB plans, and other times they force the workers to go on strike and try to starve them out and force them to agree to another type of plan, usually called a Defined Contribution (DC) Plan, which is in reality a savings plan not a pension plan. (One of the issues in the 11 month Vale/Inco strike in Sudbury is over the Defined Contribution Pension Plan for new hire. The 8 month lockout at US Steel Canada at Lake Erie resulted in an agreement to put new hires in a DC plan as well as give up indexing for pensions.)

## **WHY DO COMPANIES PREFER DEFINED CONTRIBUTION SAVINGS PLANS?**

The blunt truth is that companies want to insure that if there is a crisis in the economic system, it is the workers who bear the burden of the crisis. **If the pension investments tank, companies want the workers retirement income decreased, not their profits.** The workers have to take the risk. So even though the companies act as if the switch from defined benefit plans to defined contribution plans are perfectly harmless (and they even want to present it as being beneficial to the workers), they know what they are doing. At the end of the day, they do not want any responsibility for the retirement security of the workers.

If the governments do not want to take responsibility for the people's retirement security, and if the companies do not want to take any responsibility, it is up to the workers to take up this responsibility both for themselves, and for the rest of society. This is the challenge the workers face. They have to oppose the attempt by the companies to switch from DB pension plans to DC contribution savings plans, but they also have to build the workers' oppositions to solve this problem as part of the nation building project.

## **OPPOSE THE G-8 AND G-20 SUMMITS IN HUNTSVILLE (JUNE 25-26) AND TORONTO (June 26-27)**

Activists from across the country are already mobilizing to oppose the G-8 and G-20 Summits being organized by the Government of Canada. It is unacceptable that the few nations that comprise the G-8 and the G-20 decide the fate of the world's peoples. The theme of the G-20 Summit is "Recovery and New Beginnings" ostensibly focusing on "recovery from the global economic and financial crisis and the implementation of commitments from previous G20 summits, while laying the foundation for sustainable and balanced growth." It should be noted that the previous G-20 Summit held in Britain in April 2009, held in the depths of the biggest recession since the Great Depression failed to even point out that the financial system had collapsed, and instead emphasized strengthening the very global institutions and practices responsible for the crisis and robbing the people of their social wealth. The measures agreed to by the G-20 laid out that 1) more billions were to be given to the hated International Monetary Fund and the World Bank; 2) more emphasis on neo-liberal free trade, privatizing of public assets and attacks on any nation-building projects ;3)the creation of a Financial Stability Board to replace the Financial Stability Forum to continue the global assault on currencies, especially those other than the U.S. dollar, Euro and Yen; and 4)continued promotion of global speculative trading of all types of commodities including the absurd trading of pollution credits, among other measures.

It is imperative that the Canadian people, especially the workers, oppose the G-8 and the G-20 as one of the important steps to declare that it is the people of the world who should set the agenda, and these decisions, that will be made behind closed doors and behind a security fence to keep the people out, should not be allowed. Buses will be leaving Hamilton for Toronto on June 26. **For more information call 905-547-1417, ext. 225 or e-mail [rolf.gerstenberger@uswa1005.ca](mailto:rolf.gerstenberger@uswa1005.ca)**