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**Restructuring of U.S. Steel**  
**Moving Stelco Pensions Off**  
**the Balance Sheet**



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- **Moving Stelco Pensions Off the Balance Sheet**
- **Imperialist Democracy In Action - Rolf Gerstenberger**

**Quebec Government Passes Bill 110 to Restructure Labour Relations in the Municipal Sector**

- **Couillard Coup Against Workers' Rights**
- **Liberal Government's Anti-Worker Bill**
- **Quebec Municipalities Criticize Bill 110**
- **Clash of Rights, Clash of Democracies - Pierre Chénier**

**Quebec Health Care Workers Oppose the Anti-Social Offensive**

- **Paramedics Demand Working Conditions Commensurate With the Work They Do - Interview, Jean Gagnon, Confederation of National Trade Unions**

## Restructuring of U.S. Steel

# Moving Stelco Pensions Off the Balance Sheet

The Bedrock proposal to seize control of the former Stelco steel producing properties is centred on moving the pension plans off the balance sheet. Why is the financial oligarchy obsessed with this demand? Apparently, without moving the pensions off the balance sheet Bedrock will not buy Stelco's productive assets. This is reminiscent of the scheme of the financial oligarchs who engineered a big score to bring Stelco out of *Companies' Creditors Arrangement Act* (CCAA) bankruptcy protection in 2006. The success of that scam hinged greatly on the Ontario government violating its own pension laws by allowing the pension plans to go underfunded for a further ten years. The hooliganism of the provincial government did not stop there. It handed over \$150 million to the plotters and said with tongue in cheek that if the pensions were not fully funded by the end of 2015 then they would have to pay the loan back! If they did make the pension plan whole, they could keep \$100 million and only pay back \$50 million! Thank you very much, laughed the oligarchs, and the next year they ran off with \$1.2 billion to fatten their pockets when they flipped Stelco to U.S. Steel. The new ruling oligarchs from Pittsburgh and New York then said, we are not making the pension plans whole and we are not paying back the provincial loan. We are demanding \$126 million for our troubles in trying to destroy Stelco, and a CCAA judge has agreed. So there you are and you can stuff it!

The Stelco company defined-benefit pensions are linked to the new value steelworkers produce. Defined-benefit pension plans need newly produced value to meet the defined claims of retirees. The past value Stelco steelworkers produced is contained in the assets of the pension plans and in the productive mills in Hamilton and Nanticoke. New value going into the plans is comprised of claims on new value current Stelco steelworkers produce plus investment income from the plans, which comes from new value other workers produce. To sustain the defined benefits of Stelco retirees, the pension plans require the accumulated assets in the plans, income from investments of those assets, and an ongoing claim on the new value Stelco steelworkers produce. When sufficient new value is not regularly claimed from realized Stelco production or the invested assets, then the plans fall below a threshold where they can meet the defined benefits of retirees, when and if the company goes out of business and no new produced value is available.



Because of less than necessary claims on new value since the 1990s, when the Ontario government decided to break its own pension laws for companies deemed "too big to fail," the Stelco plans are now over \$800 million underfunded. Bedrock and other oligarchs who want the productive capacity of Stelco steelworkers and their steel mills refuse to allow retirees their right to continue to claim new Stelco value for their defined benefits even though that was the solemn agreement the owners of the steel mills made to workers in exchange for their capacity to work during their working lives prior to retirement.

Moving the pension plans off the balance sheet is similar to winding them up except in this case the oligarchs refuse to make the plans whole and capable of meeting the defined benefits of all members until they pass away, which would require around \$800 million. Instead, they are offering a pie in the sky scheme of polluted land, which requires extensive and expensive investments for environmental remediation. In other words, instead of making the pension plans

whole in winding them up, they are wiping their hands clean of a huge environmental problem and the pensions. What a scam!



The imperialist rich appear unwilling to uphold any agreement and workers have to fight on every issue. Bedrock and the provincial government are offering the lands beyond the mills as a ruse to have workers agree to take the pensions off the balance sheet, which in essence means winding them up without making them whole.

The Stelco lands in Hamilton are the most valuable as they could function as a new port but a big problem stands in the way. They have been subjected to industrial pollution for over a century without much, if any, effort for environmental remediation. An enormous investment would be needed prior to the land being able to function productively or in any capacity. The land requires remediation but the official announcement of the Bedrock proposal says the present responsible party U.S. Steel is to

be released "of all claims against U.S. Steel regarding environmental, pension and other liabilities." Bedrock will be released from responsibility for the pensions and environment cleanup as well by taking them off the balance sheet and turning over the polluted lands to a trust administered by the province. After a few years of grace, Bedrock will then flip Stelco for a big score, thank you very much.

Knowing only the broad strokes of the Bedrock proposal, because the details are "top secret" and presumably to be found only in a Hillary Clinton email that Wikileaks has yet to release, the plan to remove the pensions from the balance sheet is a non-starter. That proposal alone is worse than the last scam coming out of CCAA in 2006 giving the oligarchs a \$150 million provincial loan and a non-consequential penalty for refusing to make the pension plans whole by the end of 2015.

The Bedrock proposal is a bad joke. The political representatives of the oligarchs in the provincial and federal governments should be ashamed of themselves for kowtowing to these U.S. imperialists by not holding U.S. Steel to account for its pension and environmental obligations, its broken promises on production and employment, and its wrecking of Stelco production capacity and absconding with its order book. Instead, the Canadian state authorities, including the courts, are allowing U.S. Steel to run back to the U.S. with a payoff of \$126 million while offering up workers and pensioners as sacrificial lambs so that the Bedrock oligarchs can make a big score. It must not pass!



A pro-social alternative is possible to bring Stelco back to complete productive life capable of meeting all its economic and social responsibilities. It just requires some backbone to stand up to

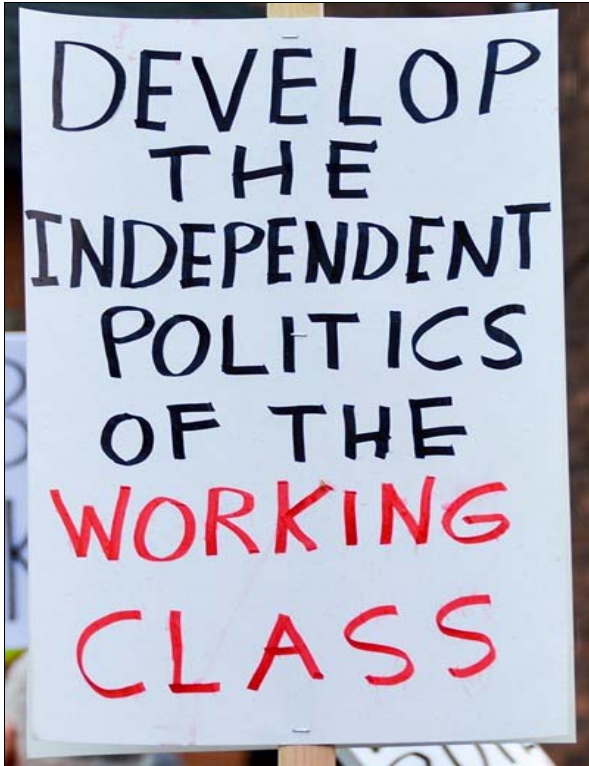
these oligarchs.



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## Imperialist Democracy In Action

- Rolf Gerstenberger -



Imperialist democracy in action. Those who are most affected by decisions have no idea what is going on, are not allowed to know what is being prepared, have no input and no control over the process or what is decided. The steelworkers, salaried employees, all the pensioners and even Canadians concerned about their economy and society are left in the dark until everything has been finalized and then they can carp and criticize and protest and shout and scream but the big lines have been drawn and no turning back or alternate direction is possible or allowed.

The liberal conciliators with imperialist democracy make it all happen by blocking the development of independent voices and institutions of the working class so that the class is left with few options as workers and their few genuine leaders are bombarded with calls that they should be pragmatic and go for what is possible within the situation.

Nothing is going to be sorted out. The self-serving fraud is a foregone conclusion and once the theft can no longer be concealed, then those who participated in bringing it about will say -- Whatever happened before noon today is the past. Let bygones be bygones.



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### Quebec Government Passes Bill 110 to Restructure Labour Relations in the Municipal Sector

## Couillard Coup Against Workers' Rights

The Philippe Couillard Liberal government of Quebec passed Bill 110, *An Act respecting the process of negotiation of collective agreements and the settlement of disputes in the municipal sector* on November 2. It was passed in spite of the vigorous opposition of municipal workers, those who do the work and deliver the services. Municipal workers' unions with active organized support from their members throughout Quebec denounced Bill 110 as an attack on the right of workers to negotiate their working conditions. In view of the bill's passage, the unions have announced a legal challenge to declare the legislation unconstitutional.



**Municipal workers demonstrate against Bill 110 at press conference of Montreal Transit Corporation to mark 50th anniversary of Montreal Metro, on October 17**

The government passed the bill despite widespread opposition from many municipalities and mayors. Several city councils voted unanimously that they consider the legislation an attack on the basic right of municipal workers to negotiate their working conditions and an attack on the municipalities themselves. Some have expressed their jurisdictions' unwillingness to implement the bill.

The Minister of Municipal Affairs, to whom Bill 110 gives full power over the labour relations in the municipal sector, would not listen to anybody opposing the bill and rammed the legislation through to achieve a Cabinet coup over relations with municipal workers. This serves the private takeover of public services within the framework of the neo-liberal free trade agreements and their supranational decision making. The passage of Bill 110 took place just days after Prime Minister Trudeau flew to Brussels to sign the CETA free trade agreement with the European Union on behalf of the oligopolies, which have privatization and seizure of municipal services as an important target.

Quebec workers cannot but draw the warranted conclusion that together with the workers of the rest of Canada they must step up their fight against those who are violating their rights and the rights of all and selling out society's assets. The Couillard coup against the right of municipal workers to bargain in an organized collective way their wages, benefits, pensions and working conditions with their employers proves the Liberal government is unfit to govern.



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## **Liberal Government's Anti-Worker Bill**

Bill 110 of the Couillard Liberal government of Quebec enshrines the use of special legislation to decree working conditions in the labour relations regime of the municipal sector throughout Quebec. It sets up a mechanism under the control of the Minister of Municipal Affairs that leads directly to application of a special law. At each step, the Minister is empowered to intervene in negotiations between municipal workers and their employers, first by forcing the parties into mediation. The legislation establishes bodies appointed by the Minister and directly answerable to the Minister. They have the power to declare that negotiations are not proceeding according to the wishes of the government thereby unleashing a special law to decree working conditions unilaterally. These bodies are required by the legislation to make decisions on contracted working

conditions based on preset municipal and provincial budgets. They are prohibited from considering the views of municipal workers and their unions regarding their needs for wages, benefits and pensions at a Canadian standard and the working conditions they require to provide municipal services at standards the people demand and expect.[1]

Passage of the bill means that negotiations in the municipal sector will take place in a context of maximum pressure on municipal workers and their unions to accept whatever the employer puts on the table. This is particularly true in Montreal and Quebec City, whose authorities have been in the forefront of demanding the powers contained in the bill. The pressure to accept imposed working conditions under the threat of imposition of a legislative decree comes with criminalization of those workers and unions that refuse. This direct dictatorship and denial of workers to bargain the terms of the sale of their capacity to work is unacceptable in modern Quebec and Canada and will lead to constant disequilibrium in relations of production.



### Note

1. For more information on Bill 110, see [Workers' Forum, September 8, 2016](#)



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## Quebec Municipalities Criticize Bill 110

The Quebec Liberal government refused and still refuses to recognize the legitimate stand of the growing numbers of municipalities against Bill 110 and the unanimous opposition of workers who demanded that the bill be withdrawn. The government simply dismissed the position of the municipalities and declared that the law will force them to abandon negotiations with their workers as the law will apply to all of them equally.

The Couillard Liberals were so keen to use their political power to defend the bill against the actions of those municipalities that do not want to attack the right of their workers to negotiate their working conditions, the Minister responsible made an amendment to Article 5 of the bill, which originally read as follows:

"On receiving the notice provided for in section 4 [*the notice from the employers that says that negotiations failed to produce a tentative agreement within the time limit set by the law -- Ed note*] the Minister responsible for the administration of the *Labour Code* must appoint a mediator to help the parties settle their dispute."

The Minister added the following paragraph: "The Minister may act on its own if it has received no notice on the fifteenth day following the expiry of any time limit under this article, whichever is applicable."

This amendment is a direct rebuff of those municipalities and unions that want to continue to negotiate without the Minister imposing a mediator because they know that the imposition of a

mediator leads straight to the special law dictating working conditions.

Municipalities that oppose the legislation range from mid-sized, such as Sorel-Tracy in Montérégie, to small municipalities such as Grande-Rivière in Gaspésie with a population of just over 3,500 people. In October the City Councils of both municipalities voted unanimously against the bill. The Mayors of Rouyn-Noranda and Ville-Marie in the Abitibi-Témiscamingue region have also denounced it.

The resolution of the Sorel-Tracy City Council reads:

"Be It Resolved

"THAT the Council informs the Minister of Municipal Affairs and Land Occupancy that it is of the opinion that the National Assembly's adoption of Bill 110 would compromise people's basic right to negotiate and create a labour relations imbalance between the parties with potentially negative repercussions on the work climate and labour relations in the municipal sector,

"THAT Council demands that the Government of Quebec give full autonomy to municipalities to set the working conditions of their employees,

"THAT Council informs the Quebec government that it will not use the mechanisms that are prescribed by such a law, if adopted as drafted,

"THAT Council demands the Quebec government amend Bill 110 in order to give municipalities the power to avoid the application of the latter and thus voluntarily negotiate with the trade unions representing its employees."

To stem criticism of the bill, the Minister included amendments to add "flexibility." These amendments do nothing to address the central issue that workers must have a say and control over their working conditions, wages, benefits and pensions. He pushed through an amendment to Article 4 which extends the negotiation period from 120 to 240 days before the Minister will impose mediation with a mediator he appoints. This change means very little, as any municipality that does not want to negotiate can simply wait out the 240 days. As well, negotiations will now begin 90 days before the date of expiry of the collective agreement and not the day of expiry as before.

In spite of the mounting opposition, the Couillard government marched straight ahead with this coup that allows it to take over negotiations in the municipal sector. This serves the anti-social agenda of certain municipal governments such as those of Montreal and Quebec with their projects to privatize municipal services. The Couillard Liberal government and like-minded neo-liberals in some cities are in step with the Trudeau Liberal government's mania for free trade treaties under the control of the global oligopolies seeking to seize and exploit public services and infrastructure. CETA, the free trade agreement between Canada and the European Union, is one of those treaties. Among other things, CETA considers public services as markets and guarantees access to these "markets." It provides that global oligopolies can sue governments for impeding "access" to public services. To fulfill their anti-social aim to control and exploit municipal workers and the services they provide, the oligopolies need to break the workers' resistance and defence of their rights and the people's front in defence of their public services and society. Let all working people, youth and seniors stand with municipal workers in opposition to the Couillard government's coup against municipal workers. This coup against workers' rights will not stand!



# Clash of Rights, Clash of Democracies

- Pierre Chénier -

Quebec Minister of Municipal Affairs Martin Coiteux made it clear during the lead up to the passage of anti-worker Bill 110 that the government was not going to allow discussion on the actual wages and working conditions of municipal workers or the history of labour negotiations in the municipal sector. According to the self-serving view of the government, negotiations generally have tipped in favour of the workers and are jeopardizing the finances of the cities. This necessitates stern action and trampling on the rights of municipal workers, according to the Minister, and that was the end of it.

The Minister made it clear that he was not interested in the facts, in clarifying issues or in reaching any equilibrium with the working class. He just kept repeating, as if it were a profound magic formula, his mental construct that a municipality is a "democratic institution" accountable to taxpayers. That reality pounding his brain justifies depriving workers of their rights. Consequently, he said, the government needs legislation to balance the expectations of union members with the sound management of the finances of this "democratic institution." To achieve his conception of balance, his government has unleashed a torrent of hatred and punitive actions against municipal workers. The Liberals' balance in favour of the financial oligarchy is to be achieved at the expense of the rights of workers and any hope of equilibrium in relations between employees and employers.



Minister Coiteux turned the expression "democratic institution" into simple-minded public relations disinformation to justify the denial of the rights of working people, which cannot be justified in the modern world. Municipal governments in the larger cities are under the control of the financial oligarchy. They have very specific neo-liberal agendas to privatize services, outsource jobs, drive down wages and pensions, and raise taxes and user fees. This anti-social agenda serves the private interests of those who own and control great social wealth, the oligopolies of the financial oligarchy. The governments of the big cities and Quebec and federal governments have more or less fallen under the supranational control of global oligopolies and systematically attack the interests of working people.

Those governments are democratic institutions of an old type to serve the financial oligarchy, those who own and control great social wealth. They function to block the empowerment of working people and deprive them of their rights. They are not democratic institutions of a renewed type to empower the working people to take control of their work and lives and forge a new pro-social direction for the economy and society.

Minister Coiteux in serving the narrow private interests of the financial oligarchy promotes imperialist democracy to justify attacking the rights of municipal workers and an increase in their exploitation and seizure of the value they produce. The oligopolies want to deprive municipal workers of their line of defence of their rights and the public services they provide. They want to



deprive municipal workers of a say over their working conditions, which are the conditions of the delivery of public services. Governments want to bring municipal services more firmly under the direct control of the global oligopolies to serve their narrow private interests.



Municipal workers fighting in defence of their rights and the public services they provide are a first line of defence against the oligopolies and their imperialist democratic institutions and their anti-social supranational agenda. They are fighting to deprive the imperialist democratic institutions of their power to deprive workers of their rights. Municipal workers are best placed to participate in exercising pro-social control over the direction of the municipalities where they

work, including their working conditions and the delivery of services but the imperialist democratic institutions of the financial oligarchy are blocking such a positive development. The clash of rights of the workers with those of the oligopolies is also a clash of democracies: renewed democracy to empower the working people versus entrenched imperialist democracy of the oligopolies.

Any authority or institution, public or private that attacks the rights of the working people reveals that it is an imperialist instrument to deprive working people of their right to a say and control over those affairs that affect them. Any authority or institution that empowers the working people to take control of their work and lives can play a positive role in the renewal of democracy and forge a new pro-social direction for the economy and society.



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## **Quebec Health Care Workers Oppose the Anti-Social Offensive**

### **Paramedics Demand Working Conditions Commensurate With the Work they Do**

**- Interview, Jean Gagnon, Representative of Pre-Hospital Sector of Health and Social Services' Federation, Confederation of National Trade Unions (CSN) -**

The paramedics, dispatchers and support workers of the pre-hospital sector are stepping up their fight to improve their working conditions which determine the quality of care that they provide. The workers of this sector, who are organized in the Health and Social Services Federation of CSN, are seeking strike mandates from their members across Quebec. Workers in the pre-hospital sector of Quebec who are affiliated with the Quebec Federation of Labour are also stepping up their mobilization to defend their dignity as workers and the services they provide.

Collective agreements in the sector expired on March 31, 2015. Workers condemn the refusal of the Quebec government to meet with them to negotiate agreements that recognize the important work they do, in very difficult conditions, for the people of Quebec.

Posted below is an interview with Jean Gagnon, the representative of the Pre-Hospital Sector of Health and Social Services' Federation of the Confederation of National Trade Unions (CSN).

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**Paramedics and other health care workers demonstrate in Quebec City October 27, 2016.**

**Workers' Forum:** What are the main demands of the workers of the pre-hospital sector at this time?

**Jean Gagnon:** There are two major issues, besides our demands for improved wages and pension fund. One is workload. In the big urban centres such as Montreal and Laval, the main issue is that the workload has become very heavy. Already, because of the nature of the work we are doing, there is a lot of stress at work, and it is well documented that in our sector we do not work as many years as workers in other sectors. The workload is so heavy that paramedics are exhausted while on the road providing the service.

The other major issue, which concerns the workers in small centres and especially in remote regions, is on-call schedules, which we call 7/14, This means that workers are on duty seven days in a row, on call 24 hours a day, and then have seven days off. These on-call schedules were introduced in the past to save costs, because in some locations there were only a few calls to answer so workers were put on that kind of schedule. But now those are completely outdated.

With a workload that has become so heavy, there are places where our workers do more than 16 hours on the road. That is not acceptable. And as far as the services to the people are concerned, it is not acceptable in 2016 that people have to wake up and get dressed to get into the ambulance and answer a call. That is why we are demanding that workers who work in the regions are put on hourly work schedules.

The workload has increased a lot because, first of all, over the years the volume of calls has increased a lot. The time it takes to answer a call is higher because now we have more things to do. The service we provide is more complex. We stabilize the patients before we go. We have to assess them and this takes time. Meanwhile, the number of vehicles and the staffing levels have not kept pace with this increase of the volume of calls. It is not uncommon that in Montreal and Laval we end up having people that suffered cardiac arrest waiting to be picked up and there are no vehicles that can go and pick them up. It is not uncommon now that an ambulance will leave Montreal to answer a call in Laval.

**WF:** Workers are also protesting the way the Quebec government is handling negotiations. Can you tell us more about that ?

**JG:** The problem is that on one hand the Minister of Health is having a discourse according to which our working conditions are negotiated centrally, something that we agree with, and on the other hand is now asking that we negotiate separately with the different employers we work with, which means different conditions for workers who are doing the same job. For example, there is a national register, which was introduced a few years ago, according to which all paramedics working anywhere in Quebec must have the same level of training, which is positive. In the same vein, in April 2015, the Minister announced that he wanted to centrally purchase equipment and supplies. Since 1984, we have had a central national bargaining table, although we have separate employers, at which representatives of the Ministry sit with representatives of employers and we negotiate wages, pensions funds, insurance, etc. And yet, last April, in the midst of negotiations, the Minister announced that the Ministry was removing itself from the negotiations and that we had to negotiate our collective agreements directly with our employers. Regarding group insurance, for example, we have a joint committee, which means that all paramedics have the same insurance plan. Now they want the Corporation des services d'ambulance du Québec, which represents the majority of the private employers, to have one group insurance plan, while Urgences Santé would have another one, and the same with the other employers. They are trying to divide us and there is no way we are going to go that route.

The aim seems to be to save costs at the expense of our working conditions. They are openly saying that if more money is to be invested in the system, it will have to come from plundering our working conditions.

We are not going to accept that. Our pension fund is like the pension fund of the public sector workers but we have fewer years of service in the pre-hospital sector than other workers. We need to improve our pension fund and our wages have to go up too. We cannot afford to lose ground.

Government and employers are saying that they want the negotiations to be done at zero cost. This means that if we get a 2 per cent wage increase, there has to be a cut of 2 per cent in our statutory holidays or in vacation. There can't be a negotiation at zero cost while the cost of living is increased.

We need improvement in our wages and working conditions and we are not going to back off, that is certain.



(Photos: CSN)