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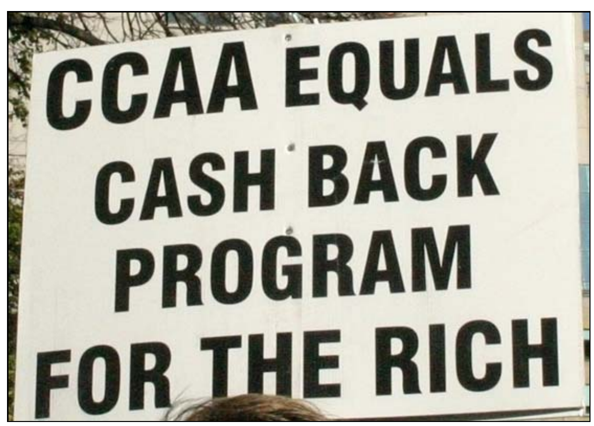
Stelco Holdings Inc, controlled by a U.S. financial gang called Bedrock, has released its 2018 first quarter report. Interestingly, even though Stelco's production of steel is completely in Canada along with 80 per cent of its sales, all figures in the report are in U.S. dollars.

Besides other things, the report makes it clear that under the outmoded aim and control of the financial oligarchy, Stelco has become a shadow of its productive capacity of just 25 years ago. Production of gross steel volume is around one half and the mix of the products today has become heavily slanted towards the lower value of hot rolled. On an annual rate, the shipping volume equates to approximately 2.5 million net tons, which is up 25 per cent from the annual rate for 2017 of 2 million net tons. In historical terms, the shipping volume compares poorly with average production volumes in the early 21st century of 5 million net tons and annual gross income of around $3 billion, which would be far greater in today's money.

Stelco's Hamilton (Hilton) Works alone shipped 2,137,000 net tons in 2003 with Lake Erie Works adding most of the rest. Also, the mix of products shipped at that time was more weighted to the higher value cold rolled, coated sheet and bar steel rather than mostly hot rolled. The first quarter 2018 volume shipped was hot rolled 80 per cent, coated 14 per cent, cold rolled 2 per cent and other 4 per cent.

Year over year gross income from sales increased 25 per cent to $482 million compared with the first quarter in 2017. Steel volume shipped increased 23 per cent along with a 2 per cent rise in average market selling prices compared with last year's first quarter.



The report says the gross profit expropriated from the new value steelworkers produced for the first quarter was $68 million, up from the gross amount of $46 million owners expropriated in the first quarter of 2017. The report says $16 million of the gross profit was taken as interest profit. This is a decrease of $34 million from the $50 million expropriated as interest profit in the first quarter of 2017, primarily due to a decrease "in interest on loans and borrowings related to the extinguishment of $1.8 billion of debt through the CCAA [*Companies' Creditors Arrangement Act*] process," the report says. Also mentioned is an amount expropriated from the new value workers produced to pay a dividend of $0.10 per share of Stelco Holdings stock.

Within the overall anarchy of an economy suffering from recurring crises with wild swings in prices and demand and supply of steel, those in control issue financial report after financial report with accompanying words that do not deal with the basic problems but rather serve a particular agenda of the private interests in control. Steelworkers remember the hysteria of a "liquidity crisis" in 2003 that served as a fraudulent excuse for Stelco's first foray in the anti-worker anti-national CCAA. The fraud of a "liquidity crisis" was soon blown out of the water with record Stelco quarterly incomes in 2004 but the reality did not change the wrecking direction of the narrow private interests in command because the financial oligarchy is blinded by its greed and fanaticism of having the power to control without regard for the material and social conditions.

Despite not being in a liquidity crisis, Stelco did not leave the CCAA until 2006, as various individuals manipulated the process to make huge scores in 2007 with Stelco's sale to U.S. Steel, which ushered in the even more disastrous years under its control.

Since 2003, Stelco's productive assets have been stripped away to serve the short-sighted private interests of the particular private interest in control at the time. Many retirees can remember a day when Stelco was even self-sufficient in production of Canadian iron ore and coking coal. At any rate, the actual producers remain blocked from making the decisions that affect the productive force where they work and from controlling their sector of the economy and its overall direction and aim in conformity with Canada's interconnected socialized economy.

Negotiate, Don't Dictate!

Locked-Out ABI Workers Demonstrate Outside Alcoa Shareholders' Meeting in Pittsburgh

Workers from Bécancour Aluminum Smelter demonstrate outside shareholders meeting in Pittsburgh, May 9, 2018.

Over 100 workers from the Bécancour Aluminum Smelter (ABI) who have been locked out since January 11 demonstrated outside the Annual General Meeting of Alcoa shareholders in Pittsburgh on May 9. They traveled over 15 hours by bus to picket in front of the hotel where the meeting was being held.

Representatives of the United Steelworkers (USW) attended the AGM, as they hold shareholders' proxies, and addressed the Alcoa executives. On the street outside the hotel the workers rallied to bring attention to their demands. The workers' main slogan was "Negotiate, Don't Dictate!" This refers to the fact that the joint owners of ABI, Alcoa and Rio Tinto, refuse to engage in discussions with the workers to negotiate a collective agreement. Instead, the owners are threatening to implement a complete restructuring of the company attacking all aspects of the working conditions. In yet another provocation, the company filed a $19 million grievance against the union, claiming workers have sabotaged production since October 2017. The workers categorically reject this slanderous accusation, for which there is no evidence, and denounce it as a sign that the owners have a hidden agenda.

At the AGM, USW representatives told shareholders that the two sides had not been far from an agreement when the company declared a lockout. They explained that the interests of shareholders are best served by asking those in control of ABI to resume negotiations and settle the conflict so that production can resume.

When the company broke off negotiations the two stumbling blocks were the terms and funding of the pension plan and the issue of seniority in job posting and workers' mobility in the plant. The union bargaining committee had opened the door for employees to migrate their pension holdings from the current defined benefit plan to a member-funded pension plan. In the member-funded plan, according to the union, the risks would be borne by the workers but the plan would be indexed and surpluses would be used to improve benefits. The plan would be the same for all workers, not a two-tier scheme dividing current and future employees as demanded by the company.

ABI workers outside USW office in Pittsburgh, May 9, 2018.

At the shareholders' meeting, the USW delegation met with the CEO of Alcoa who told them that the company would return to the table. In a statement, the company said it would resume negotiations soon. The government of Quebec has appointed former Quebec Premier Lucien Bouchard as special mediator in the dispute and a first meeting was held on May 11 between the union representatives and the mediator.

United Steelworkers' Quebec Director Alain Croteau told the workers in Pittsburgh that the union would undertake a tour of Alcoa's U.S. businesses and meet with workers at the U.S. plants in the coming period to denounce the lockout, if no headway is made at the bargaining table.

Meanwhile, workers in Quebec and from outside continue to travel to Bécancour to join the picket line to offer their support, including financial assistance. Recently, Public Service Alliance Quebec Director Magali Picard came to support the ABI workers on behalf of the Alliance and bring financial help. A delegation from the Toronto Steelworkers Area Council came by bus to support the ABI workers. Two trade unionists from the Australian Workers' Union, who represent workers at Alcoa facilities in Australia, also travelled to Bécancour to support their fellow workers at ABI.

(Photos: Metallos)

Iron Ore Company Workers Uphold the Dignity of Labour

Labrador Strike Continues

United Steelworkers Local 5778 contingent from Fermont, Quebec bring financial support to striking IOC workers in Labrador City. ***(USW Local 5795)***

Iron Ore Company (IOC) workers in Labrador on April 17 rejected the company's offer saying it fell far short of their basic demands. Seventy-six per cent of the 1,168 workers who voted decided the tentative agreement reached between the company and the negotiating committee of USW Local 5795 did not satisfy the needs of the ensemble of workers. The workers took their decision in defence of all IOC workers both currently employed and those younger workers from their community not yet hired, who should not be forced to endure inferior working conditions and terms of employment as the company unjustly demands. They also expressed support for their fellow workers who have become sick or injured at work and need help, a not insubstantial number estimated at 250 workers out of a total workforce of 1,300.

Workers' resistance had forced the company to withdraw a number of concessions but the central issue of a precarious work force of new hires was not addressed. The company had introduced a category of temporary workers a few years ago and workers viewed this as an assault on the dignity and rights of themselves and Labrador's young workers and their remote community.

Prior to this round of bargaining, IOC had refused to hire full-time workers, instead forcing temporary precarious employment on new hires. The company went so far as to threaten workers that if they do not accept a temporary workforce and write it into the agreement, it would resort to contracting out to fill all open positions. To underscore its attack, IOC for the first time brought in contractors to haul ore from the mine, operating trucks and equipment full-time workers would usually use. Workers realize they must put an end to this company arrogance.

In 2016, workers had reluctantly voted to permit a six month pilot project to allow the company to hire temporary workers. When negotiations began for a new collective agreement, the company pushed its demand to include a certain percentage of temporary workers, employed without security and fewer benefits, as a legal part of the terms of employment. The workers would have none of this and rejected the company proposal by more than 90 per cent.

In its new "final offer," IOC dropped the category of the temporary workforce but demanded drastic changes in the policy regarding new hires during their first two years at the plant. Layoff and recall language was worsened, the probation period was made longer, and new hires were granted less vacation time than before. This proposal would continue what workers call a two-tier system and permit the company to hire people for a few months and then lay them off, using them in the same manner as temporary workers.

Workers say they do not agree with having fellow workers from their small community working alongside them under different, inferior and precarious conditions. Mining is by far the biggest economic activity in the community of Labrador City and the deterioration of working conditions for mineworkers generally means an overall worsening of the living conditions of the people of the area. Workers at IOC in Labrador have successfully avoided the phenomena of fly in-fly out and other schemes imposed by the mining monopolies in remote communities. They have built a viable community and are standing firm against any company proposals that would create a precarious and disposable two-tier workforce leading to an overall degeneration of working and living conditions.

Other stumbling blocks in the company's proposal are its refusal to lift the current caps on drugs and therapy and unwillingness to increase the current inadequate pension benefits. Workers who become sick or injured in the hazardous environment are often forced to pay thousands of dollars for drugs and therapy they need to be able to return to work. These out-of-pocket expenses for some workers have reached $15,000 a year, which is unsustainable.

Workers resumed their picket lines and are demanding that the company hold good faith negotiations with them and sign a contract that is acceptable to them and their community.

Sept-Îles Workers Reject Tentative Agreement

Demonstration by Iron Ore Canada workers in Sept-Îles, April 20, 2018. ***(Metallos)***

Three hundred IOC workers in Sept-Îles have rejected the tentative agreement between the company and USW Local 9344. On April 19 they voted 94 per cent against the proposal. However, the Sept-Îles IOC workers are still not legally permitted to strike because they have not been able to reach an agreement on essential services with their employer. IOC insists that its commercial contract with the Minerai de fer Québec to transport iron ore from the Bloom Lake mine to Sept-Îles should be considered an essential service. Some passengers use the same railway but that is not the stumbling block. The Canada Industrial Relations Board (CIRB) says it needs several more weeks to settle the issue.

The day after Sept-Îles workers rejected IOC's final offer, they organized a demonstration in Sept-Îles to express their support for their fellow IOC workers in Labrador. The company in defiance of the necessity for an essential service agreement with the workers and the CIRB has announced layoffs of 117 Sept-Îles workers using the continuing strike in Labrador as the excuse.

The fight of the IOC workers in Labrador and Sept-Îles is a struggle to uphold the dignity of workers and to build a cultured life in communities in Canada's remote regions.