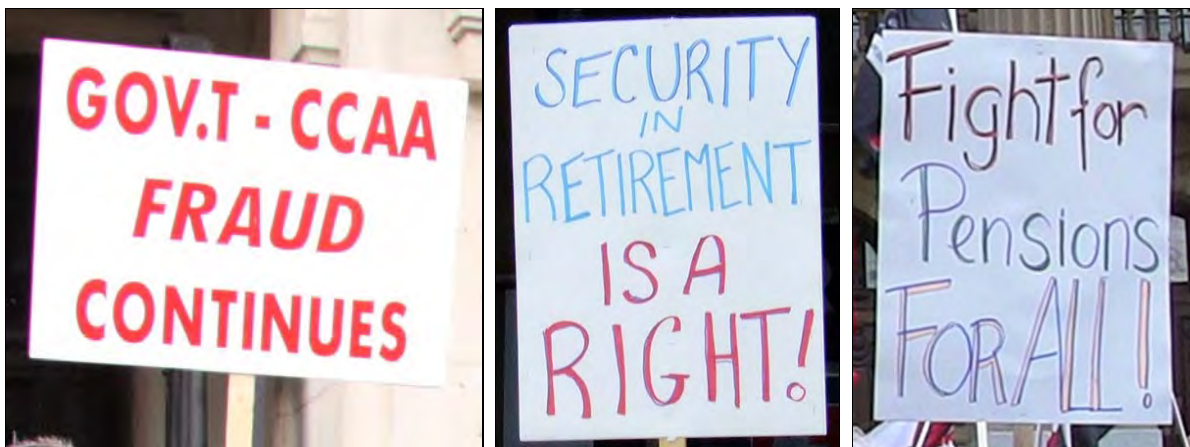


May 19, 2016

**Defend the Pensions We Have! Fight for Pensions for All!**

## **No Place for Fraud and Hypocrisy in Politics**



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## **No Place for Fraud and Hypocrisy in Politics**

Oshawa MPP Jennifer French put forward a motion in the Ontario Legislative Assembly calling for "benefits owed to pensioners be given top priority in the event that a company files for bankruptcy," which passed unanimously.

*TML* asked Rolf Gerstenberger for his views on this matter. Rolf worked for over thirty years at the Stelco steel company's Hilton Works in Hamilton and was President of Local 1005 of the United Steelworkers (USW) from 2003 until his retirement in 2015. Rolf is President of the Marxist-Leninist Party of Canada.

**RG:** In politics, organizations and individuals are judged by their deeds. Their words must be consistent with their deeds. As the Marxist-Leninist Party says, The Party's word is its deed. The Ontario Liberal government voted for the motion presented by Jennifer French of the NDP who represents the auto producing city of Oshawa.

Can we say the Ontario government's deeds are consistent with the spirit and words of the motion, which calls for priority to be given to the benefits owed to pensioners? No, we cannot say such a thing because the government's deeds have not been consistent with the positive sentiment of the motion. Workers' pensions have never been a priority for the Ontario government. With this motion the government is pawning off its social responsibility to protect pensioners to the federal government as if the Ontario government's hands are tied and it can do nothing.



Pensions of companies active in Ontario are a provincial government responsibility. The Ontario government gave U.S. Steel until 2015 to make the pension plans whole when it took over Stelco in 2007, which was a concession from its own pension law requiring the plans to be funded fully by 2010. The plans are now seriously in arrears. U.S. Steel unilaterally removed indexation of Stelco pensions even before entry into the CCAA without opposition from the Ontario government. It allowed U.S. Steel to keep the \$150 million loan from the Ontario government with grandiose promises that the pension funds would be made whole and employment and production would be booming. And now, U.S. Steel not only refuses to pay back the \$150 million, it absconded with Stelco's order book and best auto customers. It refuses to pay municipal taxes; it has stopped paying post-retirement benefits to retirees, and arrogantly demands that Stelco assets be liquidated and whatever money can be had from their sale should go to their owners in New York such as the infamous JPMorgan Chase Bank.

As far back as 2004, when Stelco and Local 1005 first went into CCAA, provincial politicians all said they had to make it a priority to change the law so that pensioners come first. Nothing happened. Nothing changed and workers continue to suffer under the bankruptcy regime. When U.S. Steel put Stelco again into CCAA in 2014, even federal politicians said the same thing that the process was backward. And now, we have the Ontario government swearing in a motion that workers' pensions should be a priority. Where's the deed? Where's the action? This CCAA nonsense is a gaping wound in the country. Look how thousands of Nortel retirees and others have suffered. Legal fees alone for the Nortel bankruptcy are over \$2.5 billion. That is billions, not millions! This is a national disgrace that the monopolies can torture the people in this way by stealing their pensions and benefits.

The anti-social governments in Ontario and federally have even strengthened monopoly right under the CCAA since Local 1005's first go-around in it. In 2004, those in control of the CCAA process asked us to open up our collective agreements so they could attack our rights, our pensions, wages and working conditions. We refused and stood our ground. Nothing in the CCAA legislation at the time specifically gave the court the power to open union contracts. Some politicians said they sympathized with us under CCAA and would go to bat for us with a "Workers First Bill." When members of Local 1005 read the proposed bill, we found it was a "Workers First Bill" all right because workers would be "first" to be attacked once in CCAA. The bill called for a CCAA judge to have the power to open workers' contracts and force them to negotiate. The very thing that Local 1005 dug in its heels on and saved our pensions and collective agreement the first time around, the politicians took away. The steelworkers' Local 2251 up at Essar in Sault Ste. Marie is really suffering on this front under CCAA, with the company basically throwing out the collective agreement especially on health and safety issues with the compliant consent of the court.

**TML:** Were you surprised that the priority motion passed unanimously? No MPP stood and

opposed the motion apparently and little has been heard in the mass media.

**RG:** Talk is cheap and motions that have no legal authority are cheap as well. If the liberal and conservative politicians had any conviction and were not motivated to deceive the people, they would have argued against the motion and voted it down. A thorough discussion and reporting in the mass media of the pros and cons of the motion would have been useful. Instead, the motion was passed unanimously mostly in a spirit of deceitfulness.

These liberal and conservative politicians in the Ontario and federal governments are neo-liberals. They believe their role is to make monopolies competitive in the global marketplace and to make sure the international financial oligarchy will be happy to put their money here because it will be safe and their empires will grow and they will have easy access to public funds in pay the rich schemes, which are now routinely doled out. They believe in empire-building; they are not nation-builders, otherwise the steel sector would not be in the mess it now is in.

All this free trade and making our monopolies great in the world is a path to disaster, nation-wrecking and war. It means we hand over responsibility for the province and country to those who control the monopolies. They make all the decisions that affect our lives; our sovereign right to direct those affairs that affect us is thrown under the bus. Then, when things do not go well such as with the steel sector and manufacturing generally, they do not blame the free traders and global monopolies for leading us down a disastrous path, but they blame China or others who are merely playing the same game of empire-building. So where does that lead us? To loss of sovereignty, to destruction of any chance to build a self-reliant, diverse stable economy, to nation-wrecking and eventually war because war is the ultimate weapon in making monopolies great in the global marketplace and empire-building.

The motion to give pensions priority in CCAA is in contradiction with the liberal aim for the economy and empire-building. If the Trudeau liberal government introduced such a change to CCAA, the monopolies would be furious and scream bloody murder; the neo-liberal mass media and university experts would be howling that international investment money will dry up and Canada will collapse. You cannot weaken the class privilege of the rich in Canada or anywhere without the working class fighting for its rights and presenting such a force to the financial oligarchy that they cannot ignore it without threatening their entire outmoded system. Once class privilege is entrenched, those in control will not give it up willingly. The working people have to present a united front determined to defend their rights in opposition to class privilege and monopoly right.



The people who control social wealth and property do not want the modern social responsibilities that should go along with control and ownership of social property and wealth. At Stelco, those in control allowed the situation to deteriorate to such an extent that 2,000 active workers produce social wealth for over 10,000 retirees and another 10,000 dependents. At TATA Steel in Wales, the situation is even more dramatic with a handful of productive facilities left to support over 130,000 steelworker retirees and thousands of additional dependents and local economies that are suffering. The remaining steelworks in Britain and Canada are under threat because no one wants them if they have to

accept the social obligations as well, so the politicians of the rich are scrambling to come up with ways to disconnect the pensions from the steel sector. At Stelco, none of the bidders in the CCAA sales process want to take on the annual special payments of \$133 million to make the pension plans whole. Of course within the crisis that the financial oligarchy have created through wrecking manufacturing and the national economy and serving their narrow private interests for empire-building instead of the broad public interest for nation-building, they find it very convenient to blame the Chinese and others for the problems. What self-serving New York or London investor wants to buy steel facilities in Canada or Britain if the social wealth steelworkers produce must go in part to support tens of thousands of retirees? The investors want a guarantee that the produced social wealth goes into their own pockets for the most part not to the retired people who built the social property in the first place and have legal arrangements in place that are supposed to give them some security and peace of mind in retirement.

The neo-liberal globalists and free traders are all gushy and wide-eyed at how much money they can make simply by moving social wealth here and there and fleecing the people and each other along the way. They attack the self-reliance of sovereign economies and put everyone at the mercy of international trade under the control of the financial oligarchy. They love their class privilege but they do not want any of the social responsibilities that come with the modern economy, and when the inevitable problems and crises occur they are aloof and detached and blame the claims of the working class and others for causing trouble. They are disconnected from the working people. They put people into positions of authority in companies, governments and the courts who are also disconnected from the working people and are not their peers such as these CCAA judges and neo-liberal politicians who can say one thing but do another and basically turn their backs on the well-being of their fellow citizens and the social responsibilities involved in nation-building.

Look at Fort McMurray. It exists because the oil monopolies want the workers nearby. Are the work camps and Ft. Mac itself not necessary parts of the production process of mining oil? But the oil monopolies do not consider Ft. Mac to be part of the production process of mining the oil and shipping it out. It is the same disconnect between the working people and those who control social property and wealth, which we see everywhere. They carry this myth around that Ft. Mac is just a city and not part of oil production and its price of production. So the oil barons cannot be bothered to make Ft. Mac a permanent community where families can thrive with a diverse economy refining the oil they mine and developing a bustling diverse economy and culture from the social wealth workers produce because the agenda of the oil barons is to further their own narrow private interests, their own particular empire-building, which has nothing to do with the working people who create the wealth. They do not want to consider or even want to know what the workers' needs are or the necessity to build a permanent community with a diverse stable economy and culture along with fire-smart protection.

Those who own and control our social property and wealth figure that educated workers should just show up at their gates ready to work without paying for their education, without paying for the multitude of other aspects of a modern social and material infrastructure, without paying for the roads and myriad other features necessary for a modern economy and having the value of that infrastructure considered part of the price of production.

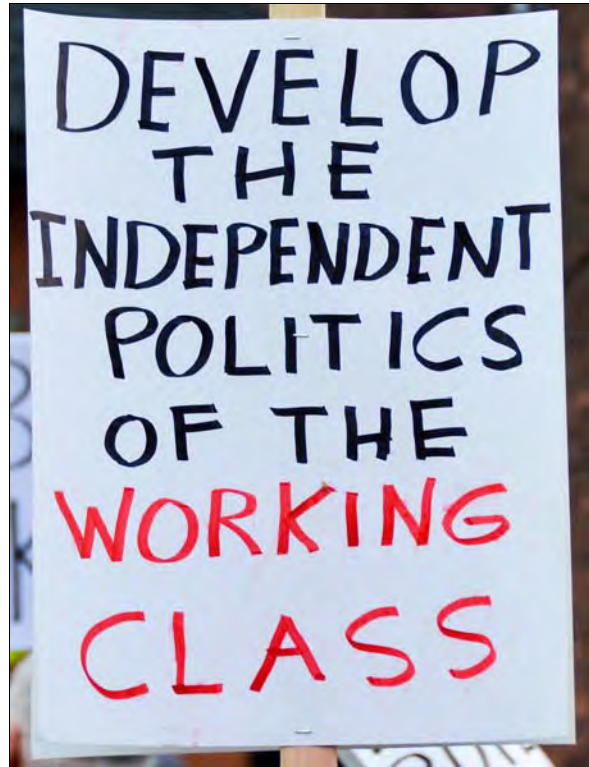
**TML:** What are steelworkers discussing and considering needs to be done to change the situation and bring in a pro-social alternative?

**RG:** We are discussing the necessity to organize the class to have its own independent politics, agenda and political and social forms. We cannot keep responding to the attacks of the ruling imperialist elite. We have to prepare to go on the offensive with our own agenda, our own media, organizations and actions with analysis. We have to turn the situation around so the ruling elite



have to respond to us defensively.

The modern economy needs a modern arrangement with the actual producers of social wealth, the working class. We have to bring that modern arrangement between the economy and working people into being so that equilibrium can exist where rights are recognized and guaranteed in law and the economy is diverse, stable and self-reliant. Nation-building needs equilibrium between the economy and working class. Empire-building opposes equilibrium and generates crisis after crisis and war after war and solves no problems. The empire-builders have to be deprived of their power to deprive the working class from achieving an arrangement for equilibrium with the economy, solving its problems and building a sovereign nation where the people are empowered to make the decisions that affect their lives.



It is obvious to us that monopoly right must be deprived of its power to run roughshod over public right and the public interest. In the steel sector, we have to bring in legal authority and control over the monopolies. They are presently out of control. They can keep their ownership but they must be brought under the control of public right through a reliable and accountable public authority. This means importantly that the control of prices and wholesale trade has to be taken out of the hands of the commodity trader parasites and free traders, who are really just scam artists that want something for nothing and cause nothing but trouble.

No reason exists for human thinking and control suddenly to cease when it comes to prices of production, the marketplace and the wholesale sector. We are not fools. We know that all this malarkey about the market is just dust in our eyes to keep our brains frozen in ignorance when it comes to the modern economy. Steelworkers know exactly how much work-time goes into production and how much inputs are needed from past work-time and consumed during production of a certain quantity and quality of steel. And what we do not know we will learn and what we don't know now that we don't know we will find out because we are humans who can figure anything out through abstracting absence.

The problem we face is is lack of political organization capable of depriving those who deprive us of the power to take control over our lives and production of the goods and services necessary for individuals and society to thrive. But life itself is the great teacher when you act to defend yourself and your rights and produce what society and others need to live. We steelworkers and other workers will figure it all out in the doing because we are modern workers with brains, courage and determination to bring in modern arrangements in conformity with the modern economy.



# Ontario Legislative Assembly Passes Motion on Pension Priority

The Ontario Legislative Assembly passed an opposition motion on May 12, calling "on the Government of Canada to protect pensioners by amending the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* (CCAA) to ensure that benefits owed to pensioners be given top priority in the event that a company files for bankruptcy, as retirement security in the province can only be strengthened when no one is left behind, and when promises made are kept."

The motion has no authority in law and exists mainly as an aspirational policy objective. The motion exposes the reality that a general agreement for equilibrium between the working class and those who control social wealth and property is in crisis. The working class movement can never be satisfied with attacks on its rights and empty policy objectives deploring the attacks. It demands guarantees in law that the pensions it has are inviolable and that pensions for all are a right and must be guaranteed in law.

The Ontario government has been in the forefront of weakening pensions as a right and exposing workers' pensions to the danger and insecurity of economic crises and monopoly manipulation. In the 1990s, the Ontario government allowed companies considered "too big to fail" to opt out of funding workers' pension plans to a secure level. The government then extended the five year limit to make pension funds whole to ten years for certain monopolies. Many pension plans under Ontario's jurisdiction are now seriously underfunded including the steelworkers' pension plans at Stelco (now U.S. Steel Canada) in Hamilton and Nanticoke, and Algoma Steel (Essar) in Sault Ste. Marie.



In concert with the federal government, monopolies are routinely allowed to evade with impunity their responsibilities under the law, such as the federal *Investment Canada Act* and Ontario's pension laws. The federal CCAA is not just a means to negate the priority of benefits owed to pensioners during a bankruptcy but more broadly to overturn the public authority of a government of laws that acts in the public interest and upholds equilibrium in opposition to the unprecedented power of monopoly right.

The Workers' Movement is acutely aware that the federal CCAA is a public institution serving monopoly right and no justice can prevail within its domain regardless of the aspirational demand

for priority for workers' benefits. The Trudeau Liberal government has given no indication that it will change the CCAA to ensure "benefits owed to pensioners be given top priority in the event that a company files for bankruptcy." The liberal agenda is to make monopolies globally competitive and to ensure Canada is a safe prosperous target for investment by those who control social wealth and property. To expose the monopolies to possible loss of social wealth through the legitimate claim "that benefits owed to pensioners be given top priority in the event that a company files for bankruptcy" is something a liberal government will talk about as a policy objective but will not guarantee in practice or law during the current neo-liberal regime.

By supporting this motion calling on the federal government to act, the Ontario government is

being deceitful. By doing so, the government is attempting to distance itself from any responsibility for the pension crisis at Stelco and Algoma steelworks and elsewhere. The Liberal Ontario government exposes itself as shameful by turning its social responsibility to defend the right to pensions into a policy objective for the federal government regarding commercial bankruptcy legislation. This is a trick to evade its particular responsibilities in the case of the existing Stelco and Algoma pensions and the viability of Ontario's economy, especially the broad manufacturing sector and the steel industry in particular.

If the Liberal Wynne government were at all honest to its past and current deeds, it would have debated and fought the pension priority motion and refused to vote for it. Voting for the motion without apologizing for its past practices and without introducing measures to correct the situation and to guarantee in law the pensions workers have and to extend Canadian-standard pensions to all is a fraud and hypocrisy. Agreeing to the motion without changing its practice is an effort to throw sand in the eyes of workers and divert them from strengthening their resistance movement and independent politics. The Workers' Movement sees the Ontario government's unanimous support of the motion as evasion of its social responsibility to act against monopoly right with regard to the manufacturing and steel sector, and Stelco and Algoma pensions and post-retirement benefits, and to guarantee the right of all Ontario workers to pensions at a Canadian standard of living.

### **The Necessity to Organize for Pro-Social Actions with Analysis**

The Workers' Movement considers a public authority is necessary to take control of the two steelworks presently under CCAA and to introduce legal mechanisms to ensure the building of a Canadian steel sector that is self-reliant in all aspects including the determination of prices of production and control over distribution, with the capacity to meet the Canadian economy's apparent demand for steel. The Working Class Movement will not rest until monopoly right has been deprived of its power to wreck the economy and trample on the rights of workers.

Pensions as a modern right must be guaranteed in law without exception. This right comes within the necessity for the equilibrium of a general arrangement between the working class and those who control social wealth and property, which recognizes and guarantees workers' rights. The Working Class Movement will not rest until its claim on the wealth it produces provides security and a Canadian standard of living from birth to passing away for all residents regardless of their individual ability or capacity to work.

Develop the Working Class Movement for equilibrium and security within a modern arrangement and new direction for the economy and politics!

A pro-social alternative is possible! The Working Class Movement must organize and bring into being a pro-social alternative!



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