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**Fighting for the Dignity of Labour**

# Local 1005 Celebrates 70 Years of Continuous Resistance in Defence of Steelworkers' Rights



Local 1005 celebration of 70th anniversary, July 29, 2016.

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**Fighting for the Dignity of Labour**

## Local 1005 Celebrates 70 Years of Continuous Resistance in Defence of Steelworkers' Rights

Over 500 steelworkers, their families and friends filled Hamilton's Michelangelo Banquet Hall on July 29, to celebrate the 70th anniversary of the founding of USW Local 1005. Gary Howe, Local 1005 President warmly welcomed everyone to the celebration of their Local's great tradition of struggle in defence of rights.

Gary presented to the crowd a copy of the just-released issue of *Information Update* published by Local 1005 and encouraged everyone to take copies for themselves, acquaintances, neighbours and residents. The issue reports on the long history of Local 1005 in the context of the current struggle

that members, retirees and the community are fighting in defence of their rights. *Information Update* is an important asset in exposing and analyzing the conditions that steelworkers and retirees face with the CCAA bankruptcy scam of U.S. Steel, the dangers this poses for the people, economy and entire community, and the necessity for organized resistance.

Later in the evening, Gary reviewed in detail Local 1005's history of resistance during the 21st century to the attacks on steelworkers, retirees and economy. He denounced the CCAA process where a judge with the stroke of a pen can eliminate post-employment benefits that belong to Stelco retirees as a right.



allow this crime to happen.

In addition to the hundreds of Local 1005 members and retirees, the celebration of the 70th anniversary also included a delegation from the Marxist-Leninist Party and distinguished allies and guests including retired Local 1005 President Rolf Gerstenberger and Vice-President Jake Lombardo along with current and past executives of Local 1005 and veterans of the 1946 strike and their family members; former Hamilton Mayor and current MP for Hamilton East-Stoney Creek Bob Bratina; Scott Duvall, MP for Hamilton Mountain; Paul Miller, MPP for Hamilton East-Stoney Creek; Monique Taylor, MPP for Hamilton Mountain; Bill Ferguson, President of USW Local 8782 at U.S. Steel (Stelco) plant in Nanticoke; Ken Neumann, USW Canadian National Director; Marty Warren, Director of USW District 6; Anthony Marco, President of the Hamilton and District Labour Council; and representatives of the Oakville Labour Council; and members of the USW Toronto Area Council.



**Contact Local 1005 for copies of the July issue of Information Update -- [uswa1005.ca](http://uswa1005.ca)**

Canadians should stand as one against the scandal of U.S. Steel buying (USS) Stelco in 2007 with what now appears to be an aim to destroy much of its productive capacity. Not content to wreck Stelco as a competitor, U.S. Steel is now manipulating the CCAA process with the absurd claim that its purchase and ownership of Stelco equity has somehow been turned into a debt to itself. With this illegal and ridiculous position in collusion with the CCAA court, USS aims to capture Stelco's best customers and seize \$2.2 billion from liquidating Stelco's remaining assets leaving behind in Canada mountains of debt, closed facilities, underfunded pension funds, unpaid benefits, municipal taxes and a \$150 million provincial loan, and unresolved environmental problems. Current and retired Stelco steelworkers and their allies throughout the steel region and country are determined not to



**Surviving veterans of the 1946 Stelco strike, and family members join current and past Local 1005 leadership, distinguished allies and guests for a photo to commemorate the occasion.**

Tim Blackborow representing Local 1005 MANA steelworkers who have been locked out for over three years was introduced to resounding applause. Rob Kristofferson and Simon Oprana announced the launch of their book on the 1946 Stelco strike, *Showdown! Making Modern Unions* on September 17.

### **Seventy Years and Still Fighting: Congratulations**

"Our resistance has been heroic and continues to be so. We have upheld the dignity of labour and continue to do so. We have presented solutions for the problems which arise and these solutions are in the public interest. They not only address the problems at Stelco, today USS, but also those of the Canadian steel sector and economy as a whole. We continue to do so. [...]"

"As we celebrate 70 years of our union we are very conscious that we have entered an entirely new phase of working class resistance to exploitation and the fight for the affirmation of our rights and to win the justice of our cause."

-- Gary Howe, *Information Update July 2016*



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## **Stelco Steelworkers Affirm Their Rights**

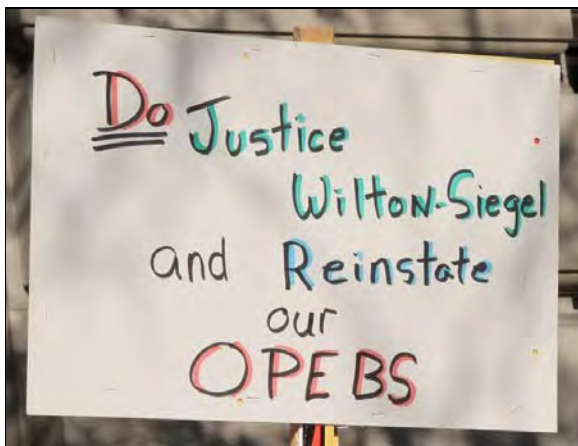
***Stop the CCAA fraud! Keep Stelco producing!***

Led by USW Local 1005 President Gary Howe, forty active and retired Hamilton steelworkers and their supporters journeyed by bus to a Toronto courthouse to denounce the CCAA fraud and uphold workers' rights. They packed the court gallery on July 27, a visible reminder to the ruling elite that steelworkers are not silent and are actively organizing to defend their rights and the rights of all.



Steelworkers picket outside CCAA Court hearing in Toronto, July 27, 2016.

The immediate issue is the reinstatement of retirees' health benefits under a longstanding contractual agreement with Stelco and its inheritor, the wholly owned U.S. Steel (USS) subsidiary U.S. Steel Canada. USS has weaseled out of its contracted arrangement to pay Other Post-Employment Benefits (OPEBs) under the completely discredited *Companies' Creditors Arrangement Act* (CCAA).



Under CCAA, U.S. Steel is attempting to liquidate Stelco as a future competitor and in the process seize \$2.2 billion of the steel plant assets when sold off piecemeal. People in Hamilton and Nanticoke and their allies across Canada stand as one against this travesty. They want this attack defeated with an alternative found that favours the workers, retirees, steel communities and Canadian economy.

The 40 steelworkers at the Toronto courthouse are an expression of the contempt the working class has for the trampling of its rights. The order

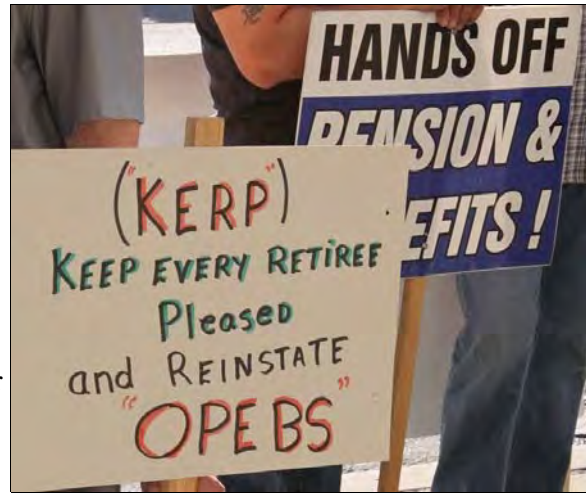
of the CCAA judge to deny retirees their OPEBs and to accept the outrageous claim of U.S. Steel that its ownership of Stelco is not equity but a debt to itself is a sad commentary on the sorry state of Canadian political and judicial affairs brought to their knees before monopoly right and U.S. imperialism.

Instead of taking a just stand and immediately reversing his earlier order to suspend payment of the OPEBs, the CCAA judge refused to hear the USW motion to reinstate the payments. He acquiesced to the company lawyer's request for a postponement so that it could "settle the issue" with USW out of court. In arguing for a postponement, the company lawyer said that if a resolution could not be reached with the union "the company would need time to prepare its submission to the court in response to the USW motion." In other words, the postponement is a delaying tactic so that OPEBs will continue not to be paid even though no justification exists for not paying.

Aside from the fact that OPEBs are a contracted right, the USS subsidiary has no business being in bankruptcy protection: it has not used one penny of the Debtor-In-Possession fund, has a positive cash balance, its orders for steel are growing, the price of steel has stabilized higher, and in the first

place no creditor demanded a bankruptcy process for the company for non-payment of debt. The only party demanding an entry into CCAA was the sole parent owner U.S. Steel whose aim appears to be to liquidate Stelco as a competitor, steal its best customers, reject its social and legal obligation to fund Stelco pensions and OPEBs, sell off Stelco assets piecemeal, refuse to fund any necessary environmental cleanup and seize up to \$2.2 billion from the liquidated remains.

In demanding an immediate reinstatement of the OPEBs, the USW lawyers said there should be no delay in hearing the motion, as it was a matter of principle. At this point, the delaying tactics of the USS subsidiary became even more apparent. The company lawyers said they needed more time to prepare and that the CCAA Monitor and Chief Restructuring Officer and themselves have scheduling problems that prohibit an early date to hear the USW motion. The ruling elite and their lawyers have scheduling problems because of their busy lawyering and profiting off these CCAA frauds against the working class, while no urgency exists in their minds to alleviate the real suffering



of the retirees who have lost their contracted right to OPEBs. Besides, U.S. Steel wants to conserve as much money as possible in its subsidiary, which it hopes to seize upon liquidation. USS prefers having the province partially pay OPEBs through its transition fund. In that way, the \$3.5 million a month the company is "saving" is icing on the cake in addition to the \$150 million provincial loan USS refuses to pay back.

The CCAA judge postponed the hearing of the USW motion to reinstate the OPEBs saying if out-of-court discussions fail to resolve the issue a case conference of lawyers would be scheduled to set a hearing date.

The CCAA fraud continues with yet more revenue devoured by court hearings and lawyer fees while workers and retirees face an uncertain future and OPEBs are unpaid. Steelworkers and their allies demand an alternative to this farce! The absence of a public authority with the courage to stand up to the wrecking of monopoly right and U.S. imperialism is palpable and real. Another way is necessary and possible! The Canadian working class is not willing to take this status quo of prostrating itself in front of monopoly right and having its retirement, jobs, economy and way of life trampled on and destroyed.

***Stop the CCAA Fraud!***  
***No to U.S. Steel's Destruction and Theft of Canadian Steel Assets and Economy!***  
***Monopoly Right No! Public Right Yes!***  
***Keep Stelco Producing! Keep Hamilton Producing! Keep Canada Producing!***



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## **Steelworkers Uphold the Justice of Their Cause Despite Contempt by Court**

Steelworkers attended the session of the Ontario Superior Court dealing with the U.S. Steel Canada so-called insolvency proceedings on July 27. They continue to protest the dictate U.S. Steel is

trying to impose through the CCAA court. About 40 workers filled the courtroom to see justice done. Despite this, they were treated with utmost contempt. First the steelworkers were kept waiting from the scheduled 10 am start until 11:15 am, without explanation. Then, when the proceedings began, Justice Wilton-Siegel refused to turn on the sound system so that the workers could hear what the lawyers and he were saying.

"It is a fairly large courtroom, with a sound system," Jake Lombardo told *Info Update*. "The judge had a microphone and the table where the lawyers spoke had a microphone, and the lawyers' tables had microphones. When the judge began the proceedings, a lawyer said that it was difficult to hear, and the judge responded that he hadn't said anything important yet. The proceedings carried on for almost an hour with no sound system, making it very difficult to hear. Only one lawyer spoke loud enough for everyone to hear."

Jake said, "The final insult happened at the end when the judge read his decision, where he mumbled to himself for over 60 seconds, when finally one of the pensioners yelled out 'We can't hear a word you're saying!' The judge then looked up and still in a quiet voice read his decision. What it showed is that the court has the utmost contempt for the workers and retirees, many of whom have hearing loss as a result of working in the steel plant. The refusal to turn on the sound system is proof positive that they do not want the workers there, and definitely do not want them to hear what is going on."



Jake pointed out that the contempt shown for the workers is reminiscent of the infamous "Golden Tulip" decision of Justice James Farley during the 2004-2006 Stelco CCAA fraud. The union had appealed the decision by Justice Farley giving Stelco CCAA protection. The union waited more than a month for the decision and when it was released it was a hand-written document that was impossible to read, with the last two pages written on stationary from the Golden Tulip Hotel in Dar Es Salaam, Tanzania. As if the Ontario Superior Court did not have the resources to issue a typed, readable decision, Jake said. The workers condemned this at the time, he recalled, and pointed out the contempt the court had for the workers. [...]

*(Excerpt from article in Information Update)*



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## Hamilton-Area Steel Locals Demand Public Inquiry

**- Information Update -**

The union hall was overflowing on July 14 when Hamilton-area locals of the United Steelworkers (USW) held a press conference, joined by MPP Paul Miller, calling for a public inquiry into the Stelco and U.S. Steel Canada *Companies' Creditors Arrangement Act* (CCAA) bankruptcy protection. They were joined by steelworkers, retirees, their families and community members as well as media and elected politicians. USW Local 1005 President Gary Howe welcomed everyone in attendance and introduced the other leaders of steel locals at the table: Bill Ferguson President of Local 8782; Rob Newstead, Unit Chair of Local 8782 Pickling Division; as well as Paul Miller, MPP for Hamilton East-Stoney Creek.



Gary called on Rolf Gerstenberger, past President of Local 1005 who led the union through many years of attacks under the CCAA, to introduce the discussion.

Rolf highlighted the injustice of companies and governments making promises and agreements with workers when they are needed and then reneging on those promises when workers are retired or otherwise considered dispensable.



Steelworkers have kept up their side of the exchange with those who own and control the productive forces in all kinds of difficult conditions, Rolf pointed out. He noted many of the workers now retired and under attack made steel for decades working in the open hearth, the blast furnace, the coke ovens and elsewhere throughout the mills.

Steelworkers produced steel under collective agreements and provincial pension law guaranteeing them their benefits in retirement. To take away what was promised under the hoax of special

circumstances is outrageous and reflects contempt for those who produce what society needs for its existence, Rolf noted. He underlined this contempt of the ruling elite for workers by referring to a Senate Report issued when Stelco was first under the CCAA from 2004 to 2006. Senators concluded that the CCAA and other bankruptcy legislation should not be changed to put pensioners first when dividing assets of a company because the legislation had to ensure what they called "a balance amongst all parties." The ruling elite said prioritizing pensioners, those who worked their entire lives producing value for society, would not be fair to the creditors.

Rolf said the Senators' contemptuous outlook towards workers led them to conclude that cutting off post-employment benefits, causing so much anguish among seniors who have contributed so much to the economy, and threatening to reduce pensions is some sort of balance. Far from it, these conclusions are nothing more than a ruling elite siding with the powerful forces in control of the CCAA process and then calling it something absurd like "balance" or whatever sounds good to them for propaganda purposes. Together we have to put an end to these attacks, Rolf said.

Local 1005 President Gary Howe said steelworkers have been holding regular discussions on the attacks against working people and how to respond since 2003. Local 1005 steelworkers concluded that to make changes in favour of working people, we need political power, Gary said. Gary pointed out the need to work together as the workers are up against very strong forces. Greed and thirst for power drive the CCAA; it is all about money and power, he pointed out.



Gary reminded everyone that during the previous round of CCAA the union opposed hedge funds making off with \$1.2 billion in the sale of Stelco to U.S. Steel. Steelworkers opposed the Ontario provincial government giving U.S. Steel an extension of the special regulation on pension contributions, delaying it making the pension funds whole until 2015. Steelworkers have met with the Ontario government every year to point out the ongoing problem with the funding of the pensions, Gary said. When the time arrived for the pensions to be fully funded on December 31, 2015 according to the agreement and they were not, no one was surprised.

Gary said that Local 1005 and others in the union movement have always said that if the Province allows this to happen through a special regulation of their own making, which it has done, then the province is responsible for making the pension funds whole and for going after U.S. Steel assets here and in the U.S. to hold it to account for its obligations.

Gary said the current situation both in Hamilton and in Sault Ste. Marie underscores the necessity for Canada to have its own steel industry with all aspects under the control of Canadians, and which is accountable to the people. The economic crisis in the U.S. and other countries and the spillover of the crisis to Canada makes it obvious that Canadians cannot depend on others to do the right thing; Canadians have to depend on themselves and exercise control over their own steel industry, Gary emphasized.

Gary reminded everyone that from the beginning of this latest ordeal in CCAA, the central issues have been *Keep Stelco Producing*, employment, pensions and other post-employment benefits (OPEBs). At the present time, Essar Global Fund is the only potential bidder for Stelco assets that is even talking about meeting these requirements and producing steel. Gary said that despite this,



the CCAA Monitor (a "third party" appointed by the court) ordered the Local 1005 leadership not to meet with Essar because the court does not consider the company part of the SISP (sales process). This court dictate, which flies in the face of steelworkers' practical demands, shows once again the anti-worker and unjust nature of the CCAA. It adds one more proof of the necessity to clear the air with a public inquiry into this institution, Gary said.

Workers have no rights under the CCAA, Gary pointed out. Human rights are stayed under the CCAA. Workers cannot even file a union grievance on any matter except for dismissal once the company is under the CCAA process. This alone denies steelworkers' rights as workers who work under a collective agreement with management that codifies the rules, Gary said.

Gary denounced the current CCAA attack on pensions and OPEBs for which steelworkers worked their entire lives. Nothing justifies a denial of what belongs to workers by right, he said. These benefits which the CCAA court dismisses were brought into being within difficult negotiations including the threat of concessions in other areas of compensation. Steelworkers have already given their work-time in exchange for their pensions and OPEBs and nobody, not even a Superior Court judge has the right to take them away. The flimsy excuse for this unjustifiable action is that U.S. Steel cannot afford OPEBs even though it is sitting on a mountain of money, \$154 million according to the Monitor's report, not to speak of its assets in the United States, Gary pointed out.

Gary noted that the CCAA lawyers alone receive in monthly payments from the company about the same as what regularly goes towards the OPEBs. He pointed out the way the CCAA process is stacked against the workers, noting that the union -- or anyone for that matter -- is not permitted to initiate anything in the CCAA court and everything must go through a recognized lawyer at great expense. All this nonsense should be exposed in a public inquiry to bring an end to a monster that only exists to serve the big corporations and their private interests, Gary affirmed.

Bill Ferguson, Local 8782 President and Rob Newstead, Unit Chair of Local 8782 Pickling Division, both spoke passionately in opposition to the CCAA and the theft of workers' pensions and benefits.



**Left to right: MPP Paul Miller, Local 8782 President Bill Ferguson and Local 8782 Unit Chair Rob Newstead.**

Paul Miller, Hamilton East-Stoney Creek MPP said he is calling on the federal government to launch a public inquiry into the CCAA. Miller said he was present for the first round of Stelco CCAA and the legislation is antiquated, tainted and exploits workers while serving corporate raiders and lawyers. He said the CCAA process is confusing, too long, and filled with litigations and amendments where lawyers play shell games and corporations benefit while workers lose what is theirs by right.

Miller said Rodney Mott, a former Stelco CEO, orchestrated the sale of an undervalued Stelco to U.S. Steel after he bought two million new Stelco shares at \$5.50 per share under CCAA and then sold them at \$38.50/share after exiting CCAA, plundering \$60 million for himself alone in the process. Political representatives have to stand up for people's rights, Miller said. He said the press conference sends a message to all representatives at the provincial and federal level that they must work for the people they represent.



Gary then introduced others in the audience who presented words of encouragement for the initiative to demand a public inquiry into the CCAA and in defence of workers' rights.

Scott Duvall, MP for Hamilton Mountain and himself a steelworker for more than 34 years, said the CCAA is the Wild West, as Rolf Gerstenberger always said. It has no rule book, with the judge possessing broad powers. Duvall said that things have become so bad that the CCAA courts not only refuse to recognize any

obligation to workers' pensions and benefits but also are relieving companies of their obligation to pay municipal taxes. He said this use of CCAA is becoming a growing cancer that is spreading from Newfoundland to BC and must stop.

A number of others rose to speak at the meeting, including Filomena Tassi, MP for Hamilton West-Ancaster-Dundas; Bob Bratina, former Mayor of Hamilton and current MP for Hamilton East-Stoney Creek; Matthew Green, Hamilton Ward 3 Councillor; and many others.



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