

August 18, 2016

U.S. Steel and CCAA Court Trample on the Rights and Dignity of Steelworkers

Control Over Our Lives and Work Is a Major Issue

- Rolf Gerstenberger -



Hamilton steelworkers picket outside CCAA Court Hearing in Toronto, August 17, 2016

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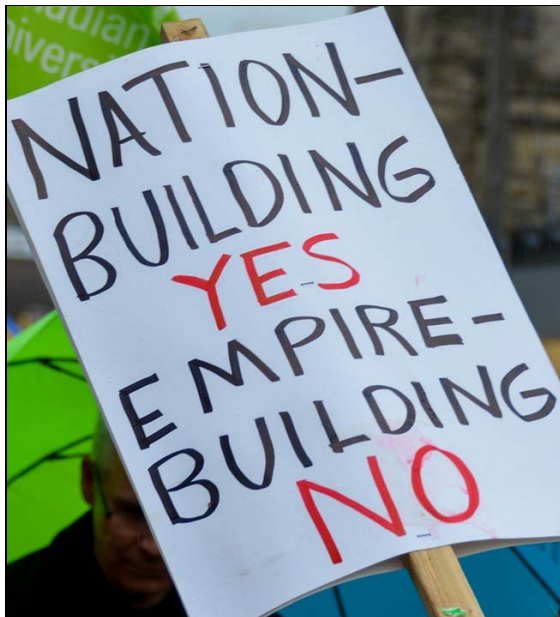
U.S. Steel and CCAA Court Trample on the Rights and Dignity of Steelworkers

Control Over Our Lives and Work Is a Major Issue

- Rolf Gerstenberger -

The events in Canada in the twenty-first century point to a dominant issue: the Canadian working class does not have control over the issues that affect the lives of workers. No matter what the talk may be of how Canada is democratic, when things happen that directly affect the lives of individuals and their collectives, the people affected feel powerless to control the events. When workplaces close; when collectives of workers are downsized; when work is outsourced; when pensions, benefits and wages are reduced or eliminated altogether; when employment and

post-secondary educational opportunities are blocked; when this or that disaster strikes either individuals or collectives, how can we speak of democracy for the people if the people affected have no control or right to change the situation in any meaningful way.



When the people have no control over the economy, over their work and other big issues in their lives other than to be told to suck it up, fend for themselves and as individuals make the best of a bad situation, then all this indicates in a forceful manner that the time is now for democratic renewal. It is time to bring politics and economics into the twenty-first century; time for the working people to have control over their lives and work, and not be dictated to and controlled by a small clique who act based on their narrow private interests and not in the broad public interest for the greater good of the people.

The big issues are easy to identify and most relate to economic security:

- security of employment;
- security of well-being when unemployed or

unable to work for whatever reason;

- security in retirement;
- security of having quality food, public health care, education and all the other social programs and public services necessary in a modern collective society;
- security of knowing that through work and contributing to one's personal well-being through work in the socialized economy one is also contributing to society and the security of all including oneself under all circumstances.

Without economic security of the person and no capacity to affect the situation in a meaningful way, then all talk of democracy and rights is empty chatter.

Canadians live in cities of considerable size or in regions where natural resources are exploited. The economy is organized as one huge collective with interrelated parts. How then can we look at the individual workplaces as isolated or unrelated from other workplaces and the large collective of workplaces? The ruling elite in control want the working class to think and view the individual workplaces in competition with each other in some sort of wild desperate fight for survival of the fittest. But this is not the Wild West; this is not the jungle. The economy is a collective organism and each part of the organism plays a role in strengthening the whole; and in that way, the parts of the organism are strengthened making the whole greater than the sum of its parts.



At least that is how a modern socialized economy should work. But it does not, because of the interference and obstruction of the most powerful companies fighting to build their private empires in competition with other empires at the expense

the whole. The striving for empire weakens the whole and eventually weakens most of the various parts as they fight with one another instead of cooperating and sorting out how best to work together for the greater good and success of the whole. The result is individual tragedies of certain parts and recurring general economic crises and war, where the people pay the price for the anarchy and violence.

The working class is the only social force capable of strengthening the various parts of the economy and their relations with each other and with the whole for the greater good. In this way, the working class can then mobilize the collective strength of the modern socialized economy to ensure the security, rights and well-being of all. The issue of gaining control over the issues affecting our lives is one of organizing to deprive those social forces of the power to deprive the people of their right to control their lives and work. The working class is the social force that can bring into being the forms and relations necessary for individuals and their collectives to gain control through the power to deprive the ruling imperialist elite of their power to deprive.



The Height of Hypocrisy

U.S. Steel and CCAA court trample on the rights and dignity of steelworkers, and harm the Canadian economy

Hamilton steelworkers first picketed outside and then crammed into an Ontario Superior Court of Justice courtroom on August 17, once again to listen to lawyers and Justice Wilton-Siegel act and speak in ways that do not represent the interests of working people, uphold their dignity or benefit the Canadian economy. The issue was to hear a motion to reinstate the post employment benefit rights (OPEBs) that the *Companies' Creditors Arrangement Act* (CCAA) court has unjustly stripped away from over 20,000 pensioners.

The CCAA judge began the proceedings in a defensive manner denying that he attacked the rights of retirees when he approved the CCAA motion of U.S. Steel and its Chief Restructuring officer and Monitor to stop paying the OPEBs, which belong to steelworkers by right. The judge said repeatedly, as if trying to excuse himself, that he did not deprive Stelco pensioners of their legal and longstanding right to OPEBs but merely approved a motion from the monitor allowing the company to make a business decision that would not be allowed outside the protection of CCAA.



What are steelworkers to think of this irrational plea of innocence in the denial of their rights? Why not be done with the hypocrisy and let USS and its monitor, CRO and other henchmen and hangers-on dictate directly the demands of their private monopoly interests to harm the economy and smash the rights of steelworkers and others? Canadians would then clearly see the clash between public right and monopoly right and reach the appropriate conclusion that fundamental change is necessary. Canadians would grasp that the CCAA process has nothing to do with seeing justice done or restructuring a viable productive facility to strengthen the economy in the public interest. Hearing the so-called arguments is meant to hide and facilitate the narrow private interests of powerful global monopolies at the expense of the Canadian economy, the workers and retirees directly involved, and many others who are

suffering a loss.



USS and their henchmen's arguments in court are self-serving, have nothing to do with solving problems faced by Stelco or the Canadian steel sector and not even worth repeating.[1] They simply declare that U.S. Steel is the main creditor and that the judge should decide all matters in favour of the monopoly right of the declared creditor. It matters little that increasing evidence circulating in the mass media suggest that the intention of the so-called main creditor U.S. Steel, right from the purchase of Stelco in 2007, was to wreck Canadian steel production especially at Hamilton Works and directly harm the Canadian economy. Reports now say that

USS deliberately inflated by \$123 million the price of iron ore and coke that U.S. Steel Canada purchased from mines owned and controlled by USS. These deceptive accounting practices coupled with transferring production from its Stelco subsidiary to USS plants in the U.S., and the deliberate organizing of lockouts and smashing of production are considered to be part of a campaign to make Stelco appear to be losing money and in need of bankruptcy protection when in fact the steel mills in Canada are viable and profitable when well maintained and producing properly. The hypocrisy, injustice and damage to the economy and to Canadians and public right are becoming clear for all to see. The federal and Ontario governments appear impotent, shameless and anti-Canadian for their inaction in defending the public interest and rights of Canadian workers, and refusal to uphold their social responsibility to put an end to this travesty.

On the issue of negating retiree rights to post-employment benefits, steelworkers through their unions negotiated those benefits with Stelco years ago in exchange for their capacity to work. They upheld their end of the agreement by working and producing steel value during their working lives. Stelco, its successor U.S. Steel and the federal and Ontario governments are obligated to live up to the agreement as a right of steelworkers and the relations of production presently in place in Canada. To negate that right is to bring into question the entire arrangement between these global monopolies, governments and the Canadian working class. If the monopolies and governments are unwilling to recognize workers' rights and the solemn agreements in exchange for their capacity to work, and the necessity to accommodate the modern right of Canadians to a viable economy that provides them security and well-being, then obviously new arrangements in the relations of production are necessary. The Canadian working class cannot and will never tolerate attacks on their rights, security and dignity, and any betrayal of legal agreements.



Information Update 70th anniversary issue was distributed outside the court hearing.

Steelworkers are not demanding charity; they only want what is theirs by right. They are not demanding the impossible; they are demanding that the problems in the Canadian steel economy be recognized as they exist and resolved in a manner that serves Canadians, their economy and the public interest and not used and hidden behind a fraud dictated by imperialists in New York and Pittsburgh serving monopoly right.

***Restore the OPEBs!
Down with the CCAA Fraud!
Uphold the Rights and Dignity of the Working Class!
Monopoly Right No! Public Right Yes!
Keep Stelco Producing!
Keep Canada Producing!***

Note

1. U.S. Steel Canada filed a Responding Motion to the motion to reinstate OPEBs on August 17 primarily consisting of the sworn affidavit of William Aziz. Aziz is the President of BlueTree Advisors II Inc., and in that capacity has been appointed "Chief Restructuring Officer" for U.S. Steel Canada. To read USSC's arguments [click here](#).



Letter to the Editor

This is Local 1005's second experience with the *Companies' Creditors Arrangement Act* (CCAA) and many things can be said about the process. One of the points is that anything can be said during this process, no matter how ridiculous.

Section 68 of the U.S. Steel Canada (USSC) response factum to the motion by United Steelworkers (USW) to restore steelworkers other post-employment benefits (OPEBs) states: "USSC is concerned about the many OPEB Beneficiaries who are affected by the suspension of the OPEB Benefits."(!)

USSC used the CCAA court to strip over 20,000 retirees, spouses and survivors of their OPEBs on October 9, 2015. The union and the salary group have been trying to get the OPEBs reinstated. For Local 1005 these are benefits that the union has fought for over more than 70 years, and they are part of a legally binding contract covered by Ontario labour law.

To cover up this "legalized theft" of benefits, various mechanisms have been concocted to make it seem that "someone cares" about the "beneficiaries," like the Transition Fund to supposedly lessen the impact of having the benefits taken away.



It is one thing for the Province to say they are "concerned" about the beneficiaries. But if they were really concerned they would enforce labour law and force USS and USSC to pay the full legally-binding benefits.

But it is the height of hypocrisy for USSC to declare that they are concerned about the beneficiaries, when they are the ones who stopped paying the benefits.

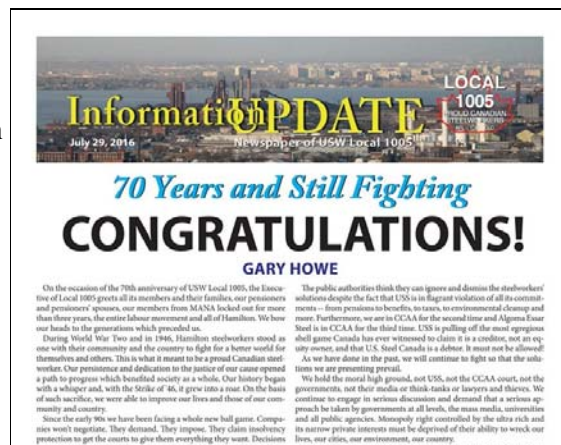
(signed)



Hamilton Steelworkers Distribute Information Update



As part of the regular work of informing the Hamilton community about their fight in defence of their rights and the rights of all, active and retired steelworkers held an information picket on August 8 at the corner of King and James St. They distributed the July 29 issue of the Local 1005 newspaper *Information Update* marking the 70th anniversary of the union. Steelworkers' experience with the courts and governments has demonstrated that the fight takes place first and foremost in the court of public opinion and for that reason have made sure the people of Hamilton are informed during the entire fight against the Stelco and U.S. Steel CCAA frauds.



To read *Information Update* online, [click here](#) and contact Local 1005 at uswa1005.ca to request copies.



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