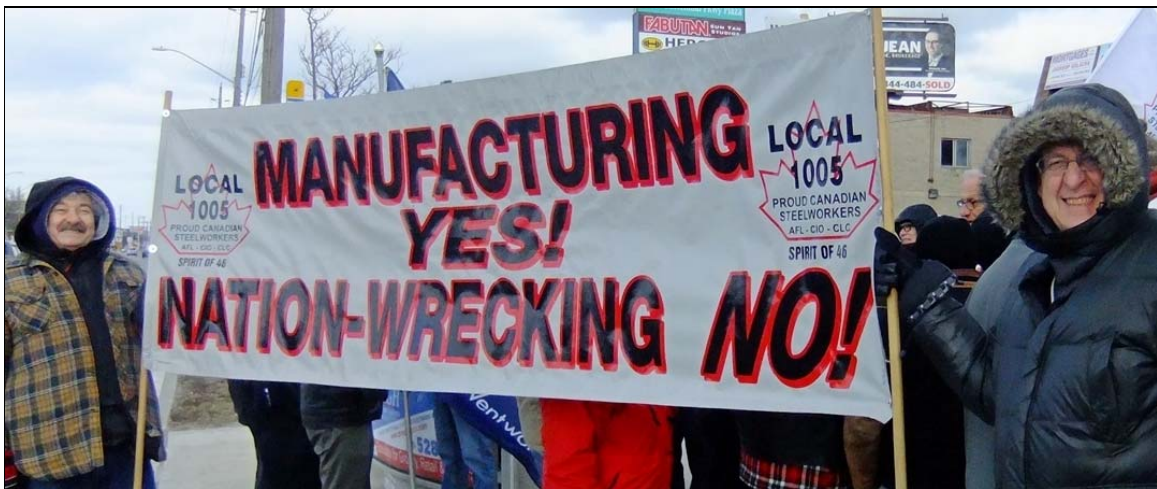


March 16, 2017

**Build the Independent Politics of the Working Class  
to Defend Its Rights**

## **Stelco President's Fantasy Letter on Bedrock Proposal**

*- Rolf Gerstenberger -*



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- **Stelco President's Fantasy Letter on Bedrock Proposal - Rolf Gerstenberger**
- **Steelworker Killed at U.S. Steel's Granite City Mill - K.C. Adams**

**Strike at CEZinc Refinery**

- **Workers Step Up Actions to Defend Their Rights - Pierre Chénier**

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## **Stelco President's Fantasy Letter on Bedrock Proposal**

*- Rolf Gerstenberger -*

*Get real Mr. McQuade. The Bedrock deal is an anti-deal. No Means No!*

Michael McQuade, President and General Manager of Stelco sent a letter to all employees on March 10. Over 2,200 workers produce steel at Stelco mills in Hamilton and Nanticoke. The value

they produce sustains themselves and the pensions and benefits of 20,000 retirees, and provides added-value claimed by owners and governments.

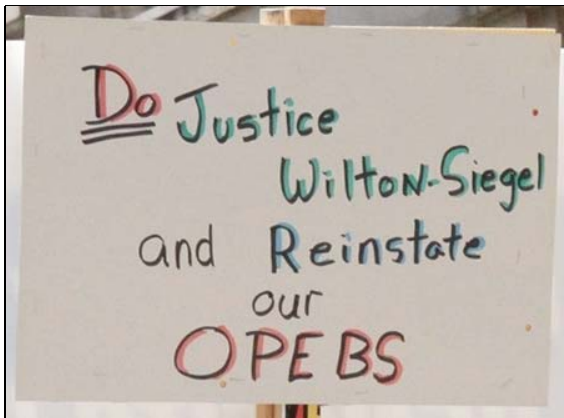
McQuade's letter speaks of optimism that successful restructuring to exit the police powers of the *Companies' Creditors Arrangement Act* (CCAA) is within reach but warns this is only possible if employees and other stakeholders agree to all the demands of the Bedrock oligarchs poised to seize control. McQuade's letter ignores the very real challenges of building a modern Canadian steel sector and solving all the economic problems associated with such a task.

Unfortunately, Mr. McQuade has revealed himself as a servile U.S. minion. For him an independent Canadian economy and steel sector do not and should not exist. He says a Bedrock controlled Stelco will be a "participant in the North American steel industry" not an indispensable productive steel facility within a vibrant, stable, diverse and independent Canadian economy that can stand on its own without being beholden to U.S. masters and their recurring crises and problems.



McQuade reduces everything to agreeing with the demands of the Bedrock oligarchs as if that will solve all issues. Give up your pensions, benefits and security of employment for empty promises from those who in the past have broken every promise. Leave everything up to those in control who will ensure success and security for all, he pleads, even though they are the same ilk who have brought Stelco to its knees over and over again and never solved a single real economic problem.

All the problems such as wildly fluctuating steel market prices and matching Canadian production with apparent demand remain. The Bedrock plan does not deal with a single problem with the economy itself. It passes ownership of Stelco from one hand of the financial oligarchy to another hand and in the process shifts the burden of outstanding issues onto active and retired workers and the steel communities.



The Bedrock ownership gang is pushing as hard as possible to remove itself from any social responsibility to workers, retirees, the economy and community. The pension and retiree benefits (OPEBs) are severed from production of new value on which they depend for survival. Pensions and OPEBs are banished into a netherworld of polluted land. Gone is any social responsibility for historical pollution, as environmental remediation of the land is severed from production of new value. Missing are any promises of certain production and employment levels. The Bedrock oligarchs want a new

collective agreement with union steelworkers in place before exiting from under the police powers of the CCAA. One wonders if they are planning a MANA-style outrage, where across the board concessions are demanded and if workers do not cave, police powers are unleashed with CCAA court orders to obey or else.

The demand for concessions, use of the CCAA, the breaking of agreements and wrecking of perfectly good productive forces do not solve any economic problems. These tactics of the oligarchs have the reverse effect; they cause misery for Canadians and guarantee that serious

problems in the sector will soon erupt again. Stelco has been in CCAA bankruptcy protection two times in recent years while Algoma Steel in Sault Ste. Marie is suffering its fourth time! The Bedrock plan effectively blocks any serious discussion of alternatives and deprives Canadians from finding a new independent pro-social direction for the steel sector and the economy.

McQuade implies that without agreement with the Bedrock deal the end result will be worse. Why the threats? The Bedrock oligarchs do not seek agreement with anything positive; they merely want a free hand to do whatever serves their narrow private interests. Besides, what does agreement mean in today's CCAA world of police powers and casually broken legal agreements where working people are deprived of any control over what affects their lives?

U.S. Steel did not hesitate to break its federal agreement under the *Investment Canada Act* for certain production and employment levels, eventually shifting considerable Stelco production to its U.S. plants. Its executives solemnly swore in public to make the Stelco pension plans solvent by the end of 2015. They left them in even worse fiscal shape than before their takeover, and in addition, unilaterally cancelled pension benefit indexation and refused to enroll new hires in the defined-benefit pension plans. During its reign, U.S. Steel unleashed recurring lockouts to break the collective agreements with the local unions and attack steelworkers' dignity. Yet the Bedrock deal rewards U.S. Steel with a \$126 million payoff. Shameful!



Also, U.S. Steel sold off a Stelco Hamilton mill to a German gang of oligarchs called MANA, which after making grandiose promises itself, almost immediately went on a destructive rampage that continues to this day. MANA locked out Stelco workers demanding ridiculous reductions in wages and benefits and working conditions. It scoured the city for mercenary scabs even going into technical colleges to bribe students to disgrace themselves as traitors to the working class by taking the jobs of veteran Stelco workers.



How can workers trust anyone in authority these days? They all break their word. Trudeau has casually backed out of promised electoral reform. If the oligarchs want to smash an agreement they just do it, as U.S. Steel did repeatedly, or they hide behind the police powers of the CCAA and break agreements with court orders. Workers face a world of rule by oligarchs without a government of laws. Without a government of laws, workers cannot hold the oligarchs to account let alone hold the rulers in political power to account. Workers at Stelco, up north at

Essar Steel Algoma and across the country are facing this problem of an economy and country out of their control, of not being able to hold the oligarchs and political elite to account. Workers are determined to solve this problem one way or another.

So what is this agreement you want Mr. McQuade? You now even refuse to pay the legal OPEBs that belong to Stelco retirees by right. You hide under the phoney excuse of a liquidity crisis when the company has consistently carried almost \$200 million in liquid cash from the constant new



value steelworkers are producing.

What are the assurances that any agreement will be honoured when honour amongst oligarchs appears to be no honour at all? The Bedrock deal is not a deal. It is an anti-deal. The oligarchs want out of all the legal arrangements that Stelco has made in the past regarding workers, retirees, the environment, the municipalities and others. These oligarchs from the U.S. see a chance for a big score and nothing less will satisfy them, and certainly nothing more will interest them such as meeting existing social responsibilities. If they can seize Stelco's productive forces without any of the legacy deals from the past, they are laughing all the way to the bank whether they continue producing, flip the company or sell it off piecemeal. As they march to their bloated vaults they are laughing at Canadians. They assume we are, in McQuade's own words, mere "participants in a North American steel industry" serving Fortress North America that oligarchs dominate and where Canadian working people have no say or control.

You are living in a fantasy world, Mr. McQuade. Stelco workers, retirees and other members of the steel communities live in a very real world where they need a say and control over their lives. In our world, No Means No! No! to attacks on steelworkers, the steel communities and Canadian economy. Canadians need a Canadian steel sector where they can solve its problems and contribute to building a stable economy that can guarantee the right of all to Canadian standard livelihoods while working and in retirement.

***The Bedrock Deal Is an Anti-deal. No Means No!***



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## **Steelworker Killed at U.S. Steel's Granite City Mill**

**- K.C. Adams -**

Steelworker Timothy Dagon died following an incident on March 5, at the U.S. Steel plant in Granite City, Illinois. Timothy was working in the rail yard area of Granite City Works when he was suddenly killed during his shift. *Workers' Forum* expresses its sincere condolences to steelworker Dagon's workmates, friends and family including two children and grandchild. The workplace death of a worker is extremely distressing for the working class and a stark reminder of the necessity to intensify the collective efforts to defend workers' health and safety and other rights.

The company and U.S. state authorities have not released any details regarding Timothy's unfortunate death at the young age of 42. Lack of timely information is commonplace with serious incidents at U.S. Steel plants. Following the death of U.S. Steel steelworker Jonathan Arrizola in October 2016, the cause of his death and circumstances were only reported January 17, 2017, over three months after the accident. Arrizola was an electrician at U.S. Steel's Gary Works. He was electrocuted while performing maintenance on a crane at the mill, one and a half months after U.S. Steel laid off almost all maintenance staff, replacing them with contract workers and forcing non-maintenance staff to take on much of the work left behind. Shortly after his death, Arrizola's wife told the media of her husband's worries that Gary Works had become an extremely dangerous place.

**Concessions are Not Solutions;  
Real Economic Problems Require Real Solutions**

Layoffs, contracting out, demanding concessions from workers and retirees, and wrecking production are part of U.S. Steel's Carnegie Way war against steelworkers and salaried employees.

Instead of honouring workers as the producers of the value the economy and society require for their existence, the Carnegie Way abuses them as a cost of production.

Steel executives suffer from the imperialist delusion that solutions to real problems in the steel sector and interrelated economy can be found in forcing concessions from workers and periodically wrecking the forces of production. Their singular obsession with profits for the oligarchs leads them not to care that their anti-social actions cause harsh consequences for working people and damage the broad economy.



Instead of dealing head on with economic problems through real solutions, it is legal for the oligarchs to steal what belongs to workers by right such as pensions, benefits and stable livelihoods. It is legal for them to conspire to reduce health and safety measures at workplaces under the anti-human outlook that such regulations reduce profits and the incentive of oligarchs to invest.

Real problems require real solutions such as how to control the market price of steel so that it matches the price of production; planning production in the steel sector and in its relations with other sectors to ensure production conforms to apparent demand and that other sectors of the economy are not damaged; and, building a stable all-sided interrelated regional and national economy with all the necessary manufacturing sectors, social programs and public services to guarantee the well-being of the people. To manage the socialized economy so that it develops and serves the people requires real pro-social solutions and development of the science of economic planning. Real problems are not solved with attacks on the actual producers of value, the working class, or blaming competing oligarchs at home and abroad who are engaged in similar anti-social empire-building.

The Granite City plant where Timothy Dagon died was shut down in December 2015, with the layoff of 1,500 steelworkers. This past month U.S. Steel partially reopened the plant calling 200 steelworkers back to operate the hot-strip mill. According to a local USW union official, to open the mill with such a bare-bones staff was asking for trouble and creating dangerous conditions for workers.

A local newspaper, the *Belleville News Democrat*, writes, "The death [of Timothy Dagon] is at least the third since U.S. Steel purchased Granite City Steel from National Steel out of bankruptcy in 2003. The first took place Feb. 3, 2005 when David M. Prengel, 46, was killed after being hit by a slow-moving train in the rail yard. The other was on Oct. 30, 2011 when Dennis C. Courtaway, 56, of Caseyville, was found at the top of a blast furnace."

### **State-Organized Attacks on Workers' Rights**

U.S. Steel's Carnegie Way war against steelworkers is an aspect of U.S. state-organized official policy. The Trump administration has made this perfectly clear. Introducing one of his executive orders in January, Trump denounced regulations dealing with such issues as health and safety at workplaces calling them "job killing." He vowed to "dramatically reduce federal regulations" on businesses and starve any remaining regulations of federal funds and personnel so they could not be enforced. These regulations include those of the U.S. Department of Labor Occupational Safety and Health Administration. The Trump declaration clearly says that rich oligarchs like himself will only invest the social wealth they control if workers give up their rights to pensions, benefits,

standard wages, stable livelihoods and a safe working environment.

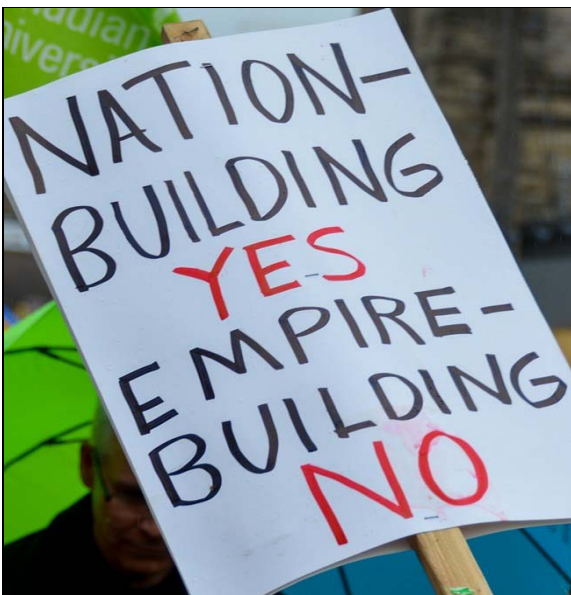
The words and actions of the ruling imperialist elite in control of U.S. Steel and the U.S., Mexican and Canadian states reveal a depraved outlook of those who are not fit to control the economy and govern society. To lay off 1,500 steelworkers without providing them alternate employment or a livelihood should be declared illegal and a criminal enterprise. Not to consider safe working conditions for industrial and other workers a necessity is a criminal enterprise. To demand concessions from active and retired workers as a precondition for oligarchs to invest such as what is happening at Stelco and Algoma Steel in Ontario should be declared illegal and a criminal enterprise.



The human-devouring financial oligarchy is running amuck in the U.S., Mexico and Canada. Using the police powers of the *Companies' Creditors Arrangement Act* (CCAA) in Canada, the ruling imperialist elite are attacking active and retired steelworkers and salaried employees at Stelco and Algoma Steel. The same names of so-called investment funds keep appearing as villains in all these cases of abuse of the workers and the socialized economy: at Essar Steel Algoma are found Deutsche Bank, Golden Tree and Bain Capital, at U.S. Steel in the U.S. and its subsidiary in Canada are found Vanguard Fund, Blackrock Group, Deutsche Bank, Morgan Stanley, Bedrock Industries, Lindsay Goldberg, Alan Kestenbaum (Dow Corning Metais do Para Ltda -- Brazil, Neuro-Hitech Inc -- healthcare and pharmaceuticals) etc.

These oligarchs organized into oligopolies within sectors from top to bottom and across many industries have a single-minded aim to expand their private wealth and empires by squeezing as much added-value as they can from workers and the economy. They are not concerned with the health and safety and well-being of the working class and the proper functioning of the interrelated economy to avoid recurring crises; such a pro-social concern contradicts their narrow private anti-social aim.

### **Independent Politics of the Working Class to Defend Its Rights and Build a Pro-Social Nation**



Organizing itself as a powerful collective with its own independent politics and institutions, the working class of the U.S., Mexico and Canada upholds a modern pro-human outlook to defend the rights of all and ensure the socialized economy functions in the interests of the people without crises. The working class has its own independent politics and nation-building project to constitute itself as the nation, vest sovereignty in the people through democratic empowerment, form an anti-war government and open society's path to progress.

The working class of the U.S., Mexico and Canada face a ruling imperialist elite and oligarchs who have no solutions to the problems in the socialized economy, which is plainly



evident in the recurring crises and ongoing predatory wars.

To allow the socialized economy of industrial mass production to play its crucial modern role to guarantee the well-being, security and rights of all, the organized working class must deprive the ruling imperialist elite of their power to deprive the working class of its right to bring into being its own independent politics of nation-building and democratic renewal in the twenty-first century and introduce scientific planning into the basic sectors of the interrelated economy. Victory in this organized battle for pro-social nation-building would be a fitting memorial for Timothy Dagon and all other workers who have died at their workplaces and otherwise suffered under the present imperialist system.



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### Strike at CEZinc Refinery

## Workers Step Up Actions to Defend Their Rights

- Pierre Chénier -



CEZinc zinc refinery workers' special general membership meeting, March 8, 2017.

The 331 workers at the CEZinc zinc refinery in Salaberry-de-Valleyfield have been on strike since February 12 rejecting demands for anti-worker concessions. The company is owned by Noranda Income Fund and the mining oligopoly Glencore.

Workers have stepped up their actions to defend their rights. On March 8 more than 300 participated in a special general membership meeting. At the meeting the United Steelworkers Quebec Director Alain Croteau appealed to all Steelworkers locals to financially support the striking workers. He also pledged to provide legal support as the union intends to take CEZinc to court over their use of scabs to operate the plant and break the strike.



USW Local 6486, which represents the striking workers, reports that inspectors from the Ministry of Labour noted the presence of three strikebreakers during an inspection on February 27. The workers who closely monitor the plant's entries and exits are convinced that there are many more than three strikebreakers inside. In the first days of the strike CEZinc obtained an injunction which limited the number of picketers and kept them at a distance from the plant permitting the company to bring in scabs, including by air.



**Workers picket outside CEZinc refinery in Salaberry-de-Valleyfield, February 13, 2017.**

Under Quebec law, only people in managerial positions in a company are authorized to do the work of striking workers and they must have been hired before the beginning of negotiations for a new collective agreement. The number of managers is far from sufficient to maintain the current level of production at the plant. CEZinc is trying by this means to break the strike while pocketing the highest possible profits.

In addition, managers operating the plant poses a health and safety concern for the public as the plant uses many toxic products whose safe handling requires a trained workforce represented by an organized defence collective that defends their interests. Workers now have to go through the onerous process of mounting a case before the Administrative Labour Tribunal to obtain an immediate injunction to force CEZinc to cease its scab activities, while the substantive argument is dealt with later.



Workers are also demanding that any electricity rate rebates granted to CEZinc be frozen for the duration of the strike and that the terms of the rebates be made public. In particular they are interested to know if there are conditions in terms of the company's employment or investment levels. When CEZinc's annual and final quarter results were released, workers noted that the government is providing the refinery with significant electricity rebates. In cryptic language, the company wrote in its press release dated March 1 that "In November 2016, the Fund submitted an application to the Quebec Ministry

of Finance under its program for electricity rate reduction for large industrial electricity consumers. In February 2017, the Fund received notice that its application had been accepted conditional to meeting additional milestones. There can be no assurance that the Fund will be able to meet those milestones. " The terms of the agreement themselves are secret but CEZinc has already announced that it might not meet them.



Meanwhile, negotiations are at a standstill. CEZinc spokesmen continue to insult the dignity of workers in their role as producers of value by calling them "operating costs" to mask that the company's objective is to lower the workers' claim on the new value they produce and increase the claim of the company that is transferred to those who own and control it.

CEZinc spokespersons also persist in embroiling workers in internal manoeuvring between Noranda Income Fund and Glencore, which controls 25 per cent of the Fund and is the sole supplier of zinc concentrate and the exclusive purchaser of the zinc metal the workers produce. These manoeuvres regarding prices within the private interests that own and control CEZinc have nothing to do with solving any problem that workers and the metallurgical sector are facing. The specifics are kept secret but they are raised to divert workers from the struggle for what is rightfully theirs and which they urgently need in view of the very difficult conditions in which they carry out production.

Accepting concessions in the pension system and other aspects of their work will only lower the real wages of workers and exacerbate their conditions at retirement. This will not solve any problems related to metallurgical production in a context where it is concentrated in the hands of a small number of global oligopolies in service of their narrow interests.

The struggle of CEZinc workers to make their strike effective and to overcome attempts to extort anti-labour concessions from them is just and deserves the support of all workers.





*(Photos: Syndicat des Métallos, A. Gaudreau.)*



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