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Alcoa Pensions Under Threat

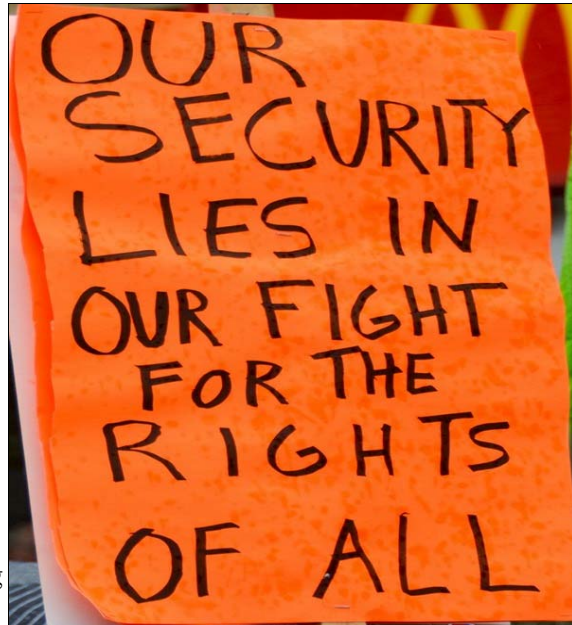
**Alcoa Corporation Attacks
Salaried Employees' Pensions**

Alcoa has unleashed a broad attack against the pension rights of its salaried employees in the U.S. and Canada. Alcoa has six operations in the U.S. and three in Quebec. Alcoa unilaterally announced the termination of the existing defined benefit plans for all 800 current salaried employees throughout North America. Alcoa salaried workers do not have any organized collective

defence. Those in control of the monopoly simply announced in a press release the ending of the defined benefit pension plan and its replacement in Canada with a defined contribution savings plan and in the U.S. with a 401(k) savings plan.

Alcoa said the existing defined benefit pension plans will close on December 31, 2020, and be replaced the following day with savings plans. This attack on the workers' right to pensions will effectively remove the pensions of salaried employees from the company's balance sheet and "strengthen it" according to Roy Harvey, Alcoa President and Chief Executive Officer.

Future retirement earnings will have to come from the employees' individual savings plans. Guaranteed retirement income will be severed from any social responsibility of the company to which workers sell their capacity to work, which of course no longer exists upon retirement, at least in its current form. Needless to say, the revenue that will "strengthen the balance sheet" has nothing to do with improved production or efficiency but will come directly out of both the current and retirement incomes of salaried workers.



The Alcoa CEO levelled the standard anti-worker insult that the concession he forced on workers was necessary "to reduce our liabilities [and] enable us to better prepare for an uncertain and cyclical environment as we position our company for the future." The "our" "us" and "we" are the imperialist owners who insist on increasing their expropriation of the new value workers produce at the expense of the workers, including the salaried employees, both when active and retired.

Alcoa's attack on the defined benefit pensions of salaried employees goes against the trend of history to affirm the rights of all, including the right to a guaranteed standard of living in retirement. The imperialists encourage salaried employees to think their future security and well-being lies with the financial oligarchy and its continued rule and class privilege, and not in uniting with the broad working class in defending the rights of all and charting a new pro-social direction for the economy. Alcoa's unilateral attack on employees' pension security should encourage salaried workers to grasp that the trend of history is to unite as one working class in the defence of rights, against the imperialists and for a new pro-social direction.

***Hands Off Workers' Pensions and Benefits!
Fight for Defined Benefit Pensions for All!***

Note

Alcoa holds a 74.9 per cent stake in the Aluminerie of Bécancour Inc. with Rio Tinto holding the remaining 25.1 per cent. Alcoa has locked out the 1,030 smelter workers at ABI since January 11, 2018 demanding concessions, and is using salaried employees to continue limited production. Those salaried employees should think carefully about where their loyalty should lie, with the oligarchs who have attacked them or with their fellow Quebec workers who are their natural allies. Local management has said it has no mandate from its head office in the U.S. to negotiate a new collective agreement.

In addition to the destruction of the salaried workers' defined benefit pension plan, Alcoa also

announced in the oligarchs' customary vulgar anti-worker language that it "will no longer contribute to retiree medical coverage for its U.S. salaried employees. The company anticipates that the change will reduce its liabilities by U.S.\$35 million."

(With files from *Benefits Canada and Alcoa*)



Financial Vultures Circle Alcoa and Arconic Employees

Reports say that immediately after the news broke that Alcoa was eliminating the defined benefit pensions of its salaried employees, the big insurance cartels and their agents began to pounce on those workers. They sent out circulars and advertisements advising U.S. Alcoa employees "to begin a personal savings program with them to mitigate the benefit reduction from the elimination of the Alcoa defined benefit plan."

This effort was ramped up even more when Arconic Inc., the spinoff company Alcoa recently created when it split in two, announced it will "freeze defined benefit pension plans for approximately 7,900 of its U.S.-based salaried and non-bargaining hourly employees. The freeze will take effect on April 1, 2018."

The financial sharks prey on the climate of insecurity with such headlines as "Alcoa's 401(k): A Poor Replacement for Alcoa's Pensions" and reprints of articles such as one from the *Wall Street Journal* bemoaning the uncertainty of savings plans, "The Champions of the 401(k) Lament the Revolution They Started."



One agent of the financial cartels, Blueprint Income Inc., ran a series of ads targeting Alcoa and Arconic workers saying in one, "While a 401(k) is one way to accumulate assets, it fails to provide financial stability and guarantees during retirement," and in another, "Employees can use their 401(k) savings to purchase from us a Personal Pension or income annuity to secure retirement income."

Another item says, "While pensions as structured by Alcoa and other corporates stopped being the appropriate retirement solution from the employer perspective, their replacement was never meant to be the 401(k). 401(k)s were created for senior executives, who already had maxed out their pensions, to accumulate more wealth to support their retirement lifestyles.... Since they don't offer any guarantees or protection from the market or your own longevity, 401(k)s just cannot provide financial stability in retirement."

The alternatives Blueprint suggests require current income from wages and salaries be invested with them in one way or another, which however come with hefty user fees. The ads impress upon workers the necessity to act now, not in defence of their right to the defined benefit pensions the company is ending, but to invest their earnings in Blueprint and its associated insurance companies.

Blueprint writes in an ad titled, Arconic's Pension Freeze is a Call to Action for Employees:

Pension Freezes in 2018 mean affected Arconic employees need to act quickly. It's clear that companies ... don't want to manage pension plans. Private pension plan options are becoming increasingly popular, and we at Blueprint Income would suggest two alternatives for Arconic employees to mitigate the pension gap resulting from the pension freeze and to increase guaranteed lifetime income.

Arconic's Pension Freeze Alternative 1 -- The Personal Pension

We believe this to be the best option for all Arconic employees. The Personal Pension is the next best thing to an employer pension and a way for you to get a pension-like income in retirement without your employer. Instead of being provided by employers, it's backed by insurers, like an annuity. But, unlike the average annuity, you can purchase it in small amounts over time.

Arconic's Pension Freeze Alternative 2 -- Buy an Income Annuity

An alternative is to buy a traditional income annuity.... Income annuities provide the financial security that you get from a guaranteed lifetime income stream that comes each month for as long as you're alive. They're ways to increase your pension check.

At Blueprint Income, we offer income annuities from more than 15 top-rated insurance companies. Click below to get real-time personalized quotes, where you can compare options offered from different insurers on an apples-to-apples basis.

"Apples-to-oranges" where a pension is an apple and a savings plan is an orange -- two different fruits indeed. Savings plans require deductions from current income and guarantee a retirement benefit for only as long as the savings do not run out.



This stinks of collusion and corruption of the sort Canadian workers have seen with the connection between the federal Liberal Finance Minister and his family's private pension company. It has become clear that the financial oligarchy is squeezing workers from all angles during the anti-social offensive. The investment cartels not only own and control the monopolies such as Alcoa and Arconic, which are destroying the defined-benefit pension plans, but also the "top-rated insurance and pension companies" that are demanding workers hand over their income to them as savings plans and insist on "managing" their savings.

Those who own and control the socialized economy and its parts refuse to guarantee the security and well-being of those who work and produce the value the rich oligarchs crave and expropriate to finance their lavish lifestyles and class privilege. The "person of state" is also failing in its social responsibility to defend the people and their well-being and security from birth to passing away.

The reality of the situation demands the working class take up its social responsibility to defend itself and society as the imperialists and their institutions will not do so. The necessity is for the

working people to organize and build their own institutions to defend their rights in the present and fight for a new direction for the economy that guarantees the well-being and security of all.



Alcoa Keeps Demanding Concessions from All Employees



Mass picket outside plant by locked-out Aluminerie de Bécancour Inc., January 2018.

The announcement that both Alcoa and Arconic are unilaterally eliminating the defined benefit pension plans for salaried and non-union employees underscores the demand of the imperialist oligarchs for concessions from all workers.

Alcoa has currently locked out its 1,030 workers at the Aluminerie de Bécancour Inc. demanding concessions on a wide range of issues, all within a secret agenda that includes forcing the price of aluminum to go higher. The smelter workers' union, United Steelworkers Local 9700, immediately denounced the lockout as an odious measure with a hidden agenda. As far back as last November, Alcoa demanded unionized workers at ABI accept the destruction of their defined benefit pension plan, starting with its closure to all new hires.

Members of USW Local 9700 rejected the demand with contempt and said at the time, "[Steelworkers] categorically reject a discriminatory, inferior pension plan for the next generation of workers."

In its attack on defined benefit pensions, Alcoa hopes it can split old and new workers, and salaried and hourly employees by keeping defined benefit plans open for current hourly employees only, eliminating the defined benefit plans for salaried employees and offering a savings plan for them and all new hourly workers. The scheme to split the working class would then weaken working class resistance to concessions on all fronts, including existing defined benefit pensions, seniority, the use of casual and contract work to attack regular workers, and to deny the right of unionized workers to move into new positions created from technological developments.

Local 9700 highlighted last November that workers at Ciment Lafarge and Resco Products Inc. both went on strike in opposition to concessionary demands designed to split the working class.

The local said workers at ABI likewise reject such attacks and are determined to defend their rights. Steelworkers and their supporters call on workers across Quebec and Canada to join them in their resistance struggle against concessions and for the affirmation of the rights of all.

Canadian Pacific Workers Prepare for Strike

All Out to Support the Just Struggle of Railway Workers for Their Rights!

On April 17, the Teamsters Canada Rail Conference (TCRC) announced that it had formally given 72-hour notice of intent to strike to Canadian Pacific Railway (CP). In a press release, TCRC says that in the event that the parties are unable to reach a negotiated settlement, more than 3,000 conductors and locomotive engineers will exercise their legal right to strike on Saturday, April 21, at 0:01 am. CP workers could also be locked out by the company. Workers at CP voted 94.2 per cent to authorize strike action on April 6. The collective agreement with CP expired on December 31, 2017. Negotiations began on November 16, 2017, and federal mediators were brought in on January 29.

The TCRC notes that CP's profit in 2017 reached \$2.4 billion, up by \$1 billion since 2014, even as sales were little changed over the same period. The union attributes the rising profits, despite stagnant sales, to cuts, layoffs, closures, and punitive discipline. It also points out that CP forces train crews to be available 24/7 while pushing them to work well beyond their point of exhaustion.

"Despite our best efforts to negotiate in good faith, we have come to a point where Teamsters are prepared to go on strike for the third time in six years to obtain a fair and reasonable contract renewal," said Doug Finnon TCRC President. "We will do everything in our power to reach a negotiated settlement at CP, but one that is acceptable to our members and that addresses the major issues that exist with this employer."

The TCRC also gave a brief overview to its members of how negotiations with CP are proceeding:

"As you are aware the Company has agreed with very little that we have proposed. The Company continues to insist on concessions and the decimation of our rest and other Collective Agreement provisions and has made little movement in regards to their demands to diminish your working conditions. Our bargaining committee is not willing to accept these concessions in order to achieve provisions that allow us to adopt a system in our workplace that allows us to work properly rested and in accordance with proper sleep science principles."



CP Rail workers picket during 2015 strike.

In a recent press release dated April 14, TCRC states, "[CP] is attempting to manufacture a crisis to force government intervention and avoid bargaining with the Teamsters." The union says CP admitted to it that they prefer government intervention over negotiations. "Arbitration leads to better outcomes for the company. Bargaining in a way that leaves the union no choice but to take strike action is one way to force an arbitrated settlement, at the expense of their customers and the economy," the press release says.

The union press release also states that cases filed with the Canadian Railway Office of Arbitration and Dispute Resolution regarding dismissed CP workers have risen 500 per cent since the company imported a U.S.-based system of labour relations in 2012. This system is based on firing and suspending workers. Last year saw the most cases on record for arbitrating dismissals of CP workers, according to the TCRC, and the union's records go back 100 years.

"CP's adversarial labour relations strategy has failed miserably. There is overwhelming evidence that this discipline-based style of labour relations cannot function in Canada and has driven the parties apart," said TCRC President Doug Finnson.

CP Workers Determined to Defend Their Rights and Dignity

CP railway workers are actively preparing for a strike or lockout. They are facing a rabid anti-worker regime, especially since 2012 when a U.S.-based management took control of the rail monopoly and Hunter Harrison was appointed CEO. Harrison resigned from his position last year but the new management is following his vitriolic anti-worker practice.

In 2012, CP refused to negotiate and presented workers with impossible concessionary demands, including cuts to pensions and benefits and changes of work rules to force them to work longer hours without proper rest periods. The refusal of management to negotiate gave workers no option but to strike, which the Harper federal government immediately ended with back-to-work legislation.



The combination of management's refusal to negotiate and legislative action was an obvious setup. The government and management together created hysteria in the country that CP workers were "harming the economy" and the "national interest," which necessarily required a legislated end to the strike and binding arbitration, instead of negotiations in good faith during a strike struggle where workers lose pay and the company loses profits.

No headway has been made since to sort out the issue of work fatigue and work schedules, which are critical issues facing railway workers. Importantly, the workers who do the work and know the risks involved with their working conditions, are determined to have a decisive say on these issues which are increasingly a concern not only for the workers but for the public. Workers refuse to have their say and concerns dismissed under the hoax that a system of arbitration forced on them through legislation can replace a system of labour relations and good faith negotiations where workers have the right to withdraw their capacity to work, in a strike, so as to reach an arrangement of equilibrium.

A similar scenario to 2012 played out in early 2015 when CP workers went on strike and again the federal government immediately announced back-to-work legislation. The mass media promoted the disinformation that the two parties then "agreed to binding arbitration" ending the strike without legislation. The truth of the matter was state-organized blackmail in collusion with Canadian Pacific to force binding arbitration and deny workers' right to strike. This was excused under the hoax that CP Rail's continued operation and right **not** to negotiate in good faith with its workforce are equated with "the national interest" and to "protect the economy from harm."

Beyond the routine state-organized intervention to deny collective bargaining, CP management consistently violates the collective agreement with impunity, knowing that workers cannot strike effectively. Firings of workers and unilateral changes in working conditions are happening regularly. The standard answer from CP is that if workers disagree with these violations of the collective agreement they can grieve and go to arbitration. Subsequently, the backlog of grievances filed by railway workers has become massive.

Massive too is the number of cease-and-desist orders that the railway industry arbitration regime has issued against CP. The situation is considered so dire that a very rare occurrence happened in January 2016. Transport Canada itself issued an order to CP demanding the company change its freight train line-ups and fatigue-management practices in British Columbia because they posed "an immediate threat to safe railway operations."

A Transport Canada inspector ruled that CP was not including as time on duty, the transit time to and from the away-from-home rest facility for workers at an away-from-home terminal. This meant crews were not allowed to book rest time when their duty was cancelled resulting in insufficient time to plan for sleep prior to a possible call back to duty. The result was cases of extreme fatigue knowingly caused to workers at the expense of their wellbeing and safety and that of the public.

The Transport Canada ruling was most unusual for an institution that has acted to deregulate the rail industry to serve the private interests of the railway/financial cartels. The unusual ruling shows the extent to which the CP rail monopoly has imposed dangerous working conditions on rail workers in violation of their collective agreement and industry standards.



Workers report that they win most of their grievances, but these are very costly for the union. As well, they keep occurring because CP and the other rail monopolies know that they are not going to be held to account by the state, which in fact is trying to suppress the struggles of the workers under the hoax of the national interest and safeguarding the economy from harm. Meanwhile, the company routinely violates the collective agreement, which is supposed to govern terms of employment and standard working conditions.

Workers are grappling with how to break out of this pattern of the company abusing them with impunity and legislated interference denying workers their right to strike. How are workers to establish norms and relations of production suitable to themselves for a period of equilibrium? Periods of equilibrium with an arrangement with the employer on certain relations and standards would be beneficial to themselves, the public and the economy. For this to happen, railway workers deserve and need the support of all working people to break the silence on what they are going through, both in the present with an impending strike or lockout and in the long haul. Working people must build a broad unity and public opinion in defence of the rights of workers and the necessity for actions with analysis to resist and defeat the stifling atmosphere of anti-social retrogression under the dictate of the global cartels and their political flunkies. It can be done! It must be done!

Quebec Bill 152 Criminalizing Construction Workers

"Free Competition" Used as Weapon to Attack Workers' Rights

- Pierre Chénier -

The Quebec Legislature's Committee on Labour and the Economy on April 17 began its clause-by-clause study of Bill 152, *An Act to amend various labour-related legislative provisions mainly to give effect to certain Charbonneau Commission recommendations*.

Workers' Forum will closely follow these proceedings and report on them in the context of defending the rights of construction workers and their unions, including their right to organize at the workplace to defend themselves and exercise control over their working conditions. The construction sector has become one of the deadliest economic sectors in Quebec for work fatalities, injuries and work-related diseases. The measures outlined in Bill 152 make the problems worse by attacking the right of construction workers to organize to defend themselves.

The government invokes the Charbonneau Commission to justify passing this bill.[1] The Quebec Liberal government created the Charbonneau Commission in 2011 with the stated aim of examining and providing solutions to alleged schemes of collusion and corruption in the awarding of public construction contracts and subsequent possible links with political party financing. Ostensibly, the Commission looked at how organized crime may have infiltrated the construction industry, which would include possible connections with political parties in power.



"No to the criminalization of workers' struggles!"

One of the ways the findings of the Charbonneau Commission are being used to attack the workers is by declaring that "free competition" is the main target of the alleged corruption, violence, and intimidation on work sites carried out by organized crime. Organized crime is said to target not only the "free competition" amongst companies but also the "free competition" amongst workers for the available work.

The insinuation grows to a broad assertion that workers, through their construction unions, are using methods akin to organized crime to target "free competition" amongst workers for the available work. Workers are becoming aware that this charge of being against "free competition" amongst themselves is a broad attack on all union organizing, which essentially aims to unite all workers as one working class in defence of the rights of all. The strength of the working class, in opposition to the accumulated wealth and political power of the ruling class, is found precisely in its unity and power to withdraw its capacity to work *en masse* in defence of its rights. Bill 152 is not just an attack on construction workers, but an open assault on all workers struggling to unite in a collective movement in defence of their rights.

Charbonneau Commission

In its final report, the Charbonneau Commission states:

Combat intimidation to improve competition

Numerous witness statements before the Commission demonstrated how intimidation is used as an anti-competitive strategy to prevent a contractor, worker or supplier from entering a particular market or bidding on a project, to drive an established contractor out of a market, to derive undue economic advantage from the control of a resource or product, or to weaken a company in order to seize it and use it for laundering dirty money.

Later, the report says:

The economic costs of collusion are difficult to establish, but they are real. In the context of government procurement, competitive bidding by engineering firms, contractors and suppliers through tendering processes allows the government to obtain goods and services at the best possible price. Collusion in the awarding of public construction contracts therefore generally results in an increase in the cost of the work, at the expense of public contracting authorities and taxpayers.... Apart from the fact that it pushes prices downwards, competition produces significant positive effects which do not accrue to public contracting authorities that are victims of collusion. In addition to pushing down prices, competition has significant positive effects that do not benefit public collusive contractors. Under the pressure of competition, firms have a powerful incentive to reduce their production costs and become more efficient.

The commission established to examine organized crime was made up of judges, lawyers, and experts on the *Criminal Code*. It adopted the conclusion that eliminating anti-competition collusion among construction companies, engineering firms and those awarding contracts was the way to solve problems in the sector. The commission did not examine the actual competition that takes place in the sector and its suppression through the concentration of wealth and power in the hands of ever larger more powerful global construction/financial cartels. It extols the virtue of competition without examining how the economic system of concentrated wealth and power in the hands of a few specifically suppresses competition in a very legal way, by not only suppressing its competitors but the rights of the working class. Instead, the commission levelled its guns on the organized working class as a hindrance, not to competition in the awarding of contracts, but to the right of the big companies to negate the rights of construction workers and deny them a say and any control over their working conditions through unity in action to defend their rights.

According to the Charbonneau Commission, the organized resistance of construction workers hinders the ability of construction companies to decide how many or which workers they will hire. The big companies want to take advantage of the fact that no job or income security exists in the sector and workers are extremely vulnerable and disposable and their only protection is through organized resistance in defence of their rights. The less workers make in wages and benefits the more the owners can expropriate as profit from the new value workers produce. The concern of the commission over "economic cost" is found in the reverse: the more workers make in wages and benefits and gain safer working conditions through unity in action to defend their rights, the less owners can expropriate as profit from the new value workers produce.

Necessity to Organize in Defence of Workers' Rights

Construction workers go from one project to another without knowing if work will be again available. The struggle that organized construction workers wage to combat this insecurity has become an irritant to the big companies that control the sector. They label the organized struggle through the union movement as intimidation, in opposition to the "free will" and "mobility" of workers. Meanwhile the insecurity that workers constantly face is considered necessary for the proper operation of the "free labour market," and a necessary element of "free competition" that organized construction workers should not be allowed to disrupt.

A section of the commission's report deals precisely with what the imperialists view as the necessity to allow competition among workers to flourish by restricting workers' right to organize. The section called "Combat intimidation to improve competition" proposes a recommendation that has become one of the major clauses of Bill 152.

The Commission Report states:

The Commissioners therefore recommend that the government:

Amend the Act Respecting Labour Relations, Vocational Training, and Workforce Management in the Construction Industry (Bill R-20) in order to combat intimidation in the construction industry and maintain a healthy working environment by amending section 113.1 to remove the words 'to cause' and replace them with 'likely to provoke,' and 119.11 to add articles 113.1 and 119.0.3 to the list of offenses that disqualify persons from leading or representing.

If Bill 152 passes, any worker representative who engages in actions considered "likely to provoke obstruction" to the free operation or free competition on work sites, or who try to interfere with what the commission and the Quebec government call "management rights" can be banned for a period up to five years from being a leader or representative of a union.

Clearly, the state-organized Charbonneau Commission and the Quebec government are targeting the organized struggle of workers to improve their working conditions, including their health and safety at work. The proposed restrictions on construction unions in Bill 152 unleash police powers to curtail the right of workers to organize in defence of their rights. The restrictions are meant precisely to increase competition amongst individual workers for available work and make them more vulnerable to exploitation and abuse.

The Quebec Liberal government is playing a very dirty hand in the service of the big construction companies that want unbridled monopoly right to act as they please. The police powers being marshalled against construction workers strengthen the authority of the private interests that are increasingly seen as the real political authority in Quebec and Canada in opposition to the public interest. Working people should stand as one in opposition to Bill 152 and shoulder to shoulder with construction workers in defence of their rights. The attack on the right of workers to organize in one sector acts as a template and precedent for attacks in all sectors. This must not pass!

Note

1. For more information, read:

- "[Strengthening Police Powers Will Not Solve the Problems of the Workers or the Sector!](#)," *Workers' Forum*, January 25, 2018

- "[Quebec Bill 152 Uses Charbonneau Commission to Unleash More Police Powers Against Construction Workers](#)," Pierre Chénier, *Workers' Forum*, April 5, 2018



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