

## EXTORTION IN HAMILTON

December 2, 2010

**Extortion: The act of extorting; the act or practice of wresting anything from a person by force, by threats, or by any undue exercise of power.**

The members of United Steelworkers Local 1005 in Hamilton have a proud history of making important gains for all workers in Ontario, including the historic 1946 strike that defied the law and won union security in collective agreements.

In recent years, Local 1005 has been engaged in a long protracted struggle with Stelco's owners to defend wages, conditions and benefits in basic steel. During the restructuring in 2007 vulture funds including Brookfield's Tricap made over a billion dollars profit flipping ownership of Stelco, then left town.

When U.S. Steel bought the Stelco operations it committed to maintaining 3,100 jobs as part of the "net Canadian benefit" in its agreement with the government of Canada, but has now reduced its workforce to half that number. It used an eight month lockout to force employees at its Nanticoke plant to agree to two tier pensions earlier this year, then shut down its Hamilton blast furnace in October. Hamilton City Council has demanded the company restart production and live up to its agreement.

U.S. Steel locked out its 900 active employees on Nov 7<sup>th</sup>, demanding the union vote on a proposal to de-index pensioners and place new employees in a second tier savings plan. It has started up two blast furnaces in the U.S. to supply replacement steel to the auto industry.

The company says it will not re-open the plant until the union agrees to shaft the retirees who created the wealth for Stelco since the Second World War. Many of those receiving pension are WWII veterans, thousands are widows. It seems that extortion ceases to be a criminal offence when it is carried out by a giant multinational like U. S. Steel against its workers. The labour movement needs to rally behind USW Local 1005 to resist this cowardly attack on seniors and workers in Ontario.

The Executive recommends the Toronto & York Region Labour Council help build a province-wide solidarity campaign to support USW Local 1005 in this crucial struggle. We urge affiliates, other labour councils and the OFL to mobilize for a comprehensive effort to defeat the lockout that would include:

- widely publicizing the issues involved
- organizing a provincial tour by 1005 members, including plant gate collections
- demanding the federal government enforce a true "net Canadian benefit" in any foreign takeover
- exposing the role of business leaders such as U.S. Steel directors from Scotia Bank and Brookfield, in eroding pension benefits and punishing workers
- mobilizing retirees to challenge the corporate attack on pensions
- affecting the profitability of U.S. Steel's business in Canada and the U.S.