Canada: Steelworkers struggle at a crossroads

Socialist Equality Party (Canada)
31 January 2011

Supporters of the Socialist Equality Party (Canada) distributed the following statement at last Saturday's march in Hamilton, Ontario in support of the 900 locked-out US Steel workers and their struggle to uphold the right to a decent pension. Ten thousand workers, retirees, and young people joined the protest. (See: " Canada: Mass rally in support of locked out US Steel workers")

The nearly three-month-long lockout of steelworkers at Hamilton's US Steel complex is at a crossroads. If the fight is not to be lost, workers must adopt an entirely new strategy—based on the independent industrial and political mobilization of the working class—in opposition to the United Steelworkers (USW) and the labour bureaucracy as a whole.

The company's attack on pensions is just the latest volley in a full-scale big business onslaught on the living standards of the working class. In workplace after workplace, wages have been cut, benefits slashed and ever more brutal working conditions imposed. In their drive to gorge themselves on super-profits, dividend payouts and obscene bonus packages to their executives, corporations have now zeroed in on the pension plans of workers who have laboured their entire lives in hopes of a decent retirement.

US Steel's wholesale attack on its workers' retirement plan is part of an employer offensive that has seen companies across the country gut pension plans that were won through decades of struggle. Only last April, USW officials accepted a similar offer at US Steel's Lake Erie Works in Nanticoke, Ontario, after an eight-month lockout. And in Sudbury, at the giant nickel mining complex of Vale Inco, USW officials imposed, after a year-long strike, a concessions-laden deal, which included a two-tier pension plan and give-backs on bonuses, work rules and other benefits.

In that strike USW leaders substituted occasional media stunts for militant strike action, kowtowed to the courts at every turn, and even acquiesced to the company's use of USW-organized office and technical workers to do the strikers' work. When strikers sought to blockade entrances to the Sudbury mining complex, the union worked with the judiciary and the Ontario government and Labour Board to demobilize the workers' spontaneous action. If the so-called "national campaign" against attacks on pensions recommended by the organizers of today's rally in Hamilton is ever undertaken, it will resemble the fiasco at Vale with its slavish subservience to the courts and the corporations' "right" to private property and profits.

The attack on pensions and the union bureaucracy's acquiescence to these attacks has not been limited to the USW. In the last concessions contracts negotiated by the Canadian Auto Workers, the union leadership agreed to "discuss alternative funding mechanisms" that will include off-loading company pension and health benefit responsibilities to workers, pensioners, and the government. And in the public sector—the next target for the banks and big business—already two-tier pension schemes have been imposed on city workers across the country including in the bitter 2009 strike by Toronto city workers.

Last month, the federal Conservative government reneged on a commitment to raise Canada Pension Plan (CPP) benefits and in concert with the provinces adopted a scheme supposedly aimed at solving the pension crisis—millions of workers have no employer-pension whatsoever—that was designed *for* and *by* big business. The new pension scheme will provide workers with not a cent in defined benefits, makes the administration of the scheme a new source of enrichment for the financial industry, and places workers' retirement income entirely at the mercy of the gyrations of the stock market.

Whether it was at National Steel Car or at US Steel's Hilton and Lake Erie Works, workers in the Hamilton area have watched as thousands of jobs have been relentlessly shed whilst their leaders throw up their hands in mock despair. In the current dispute, whilst work is being steadily shifted to plants south of the border, the union bureaucracy does not even contemplate mobilizing American steelworkers who, like their Canadian sisters and brothers, have seen their jobs and contracts shredded by the steel bosses.

Under conditions where demand for steel is extremely low due to the global economic recession and the Canadian dollar is near historic highs, management is content to simply play a waiting game. It is confident that it can make up any shortfalls in production at its USW-organized Pennsylvania and Alabama facilities

As they did during the defeated Vale Inco strike, the USW and the social-democratic NDP politicians are seeking to focus the energies of the Local 1005 workers on reactionary and diversionary appeals to the big business establishment. In the

© World Socialist Web Site

current dispute, this is taking the form of calls for the courts and the Conservative government of Stephen Harper to "enforce" and amend the Investment Canada Act to ensure that US Steel's Canadian operations function to the "net benefit" of Canadians. But even in the unlikely event that the courts order a "forced" sale of US Steel operations in Hamilton due to management's violations of the Act, no potential buyer would entertain a purchase without the knowledge that the current pension scheme had been destroyed.

In the face of all of these attacks, the trade unions and the NDP have proven to be entirely unable, and indeed, unwilling to mount any serious struggle to defend what remains of the gains won by workers in the middle of the last century. The Rae NDP government of the 1990s slashed social spending, imposed a wage- and job-cutting social contract, and pioneered workfare. Later the unions and NDP short-circuited the mass movement against the Harris Conservative government. Since then NDP provincial governments in Nova Scotia, Manitoba and Saskatchewan have refused to pass anti-scab legislation.

And in 2008-2009, the immediate response of the unions and the social-democratic NDP to the greatest crisis of capitalism since the Great Depression was to enter into a deal with the big business Liberals to forge a coalition government committed to waging war in Afghanistan and implementing the Liberal-Conservative $50 billion corporate tax cut plan.

What accounts for this total prostration of the trade unions and their allies in the New Democratic Party? A ruling class counter-offensive, rooted in the break-up of the post-war boom, and changes in the character of capitalist production, caused the unions and the social-democratic parties—which for decades had worked to contain the class struggle within the narrow framework of collective bargaining and legislative reforms, that is within the confines of the capitalist profit system—to lurch sharply to the right, beginning in the 1980s. The globalization of production and the associated dismantling of much of industry in the advanced countries fatally undermined the ability of the unions to pressure capital for concessions in the national labor market. The response of the unions to the emergence of a global labour market has been to join with the bosses in demanding workers make their employers more "competitive," i.e. accept concessions, speed-up and job cuts, and to promote economic nationalism.

Amongst Canadian union bureaucrats, USW leaders have been "first among equals" in promoting a nationalist orientation—calling on big business governments to defend "Canadian" jobs and enact protectionist measures to support "Canadian" companies. This pro-capitalist perspective serves to block any united action on the part of workers in North America and around the world against the multi-national giants of the global steel industry that are relentlessly seeking to intensify the exploitation of all workers, irrespective of their nationality.

Just prior to the outbreak of the National Steel Car dispute, Leo Gerard, president of the United Steelworkers union and former National Director of the union in Canada, expressed the sentiments of the union bureaucracy. He called for workers to "assert themselves as economic patriots" against the threat from Asia. Gerard is now championing a "Buy American" campaign (or when he speaks in Canada, a "Buy North American" campaign) to further stoke the fires of trade war.

In this respect, Canadian USW Director Ken Neumann and USW Local 1005 President Rolf Gerstenberger, who poses as a "left" and "socialist" within the right-wing USW bureaucracy, are no different from Gerard. Neither Neumann nor Gerstenberger make any mention of the pain inflicted on workers and communities by Canadian-owned Stelco during its death throes. Nor do they speak of the role that Canada's big banks—the country's most profitable corporations and all firmly in the hands of the Canada's capitalist elite—played in pushing Stelco and Algoma Steel into bankruptcy and in organizing numerous other industry restructurings that have ravaged entire communities. And all are emphatically opposed to calling on US steelworkers to take strike action with their Canadian brothers and sisters in opposition to all concessions and in defense of all workers' jobs.

If the Hamilton US Steel workers' struggle is not to be isolated and defeated, workers must repudiate the nationalist, pro-capitalist perspective of the USW and the NDP. The Hamilton US Steel workers must strive to make their struggle the spearhead of an industrial and political counter-offensive of the entire working class against the drive of big business and their governments to make working people pay for the world capitalist crisis. They must take the leadership of their struggle out of the hands of the bureaucracy, form their own rank-and-file strike committees, and consciously strive to unite their struggle with steelworkers and all other workers in the US and around the world.

Militant industrial action, including the organizing of mass picketing and solidarity strikes, must be coupled with the development of an independent political movement of the working class that fights for a workers' government committed to reorganizing economic life on socialist lines so production and employment can be based human need, not the profits of the few.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site