

# Canada: U.S. Steel lockout in seventh week

A WSWWS reporting team  
11 June 2013

Nearly 1,000 workers at U.S. Steel's Lake Erie Works in Nanticoke, Ontario have been locked out since April 28.

U.S. Steel imposed the lockout—the second at the mill in three years—after the workers, members of United Steelworkers (USW) Local 8782, overwhelmingly rejected its demands for yet another round of contract concessions. The steel giant is pushing for a wage freeze, the elimination of cost-of-living increases, cuts to vacation, drug and other benefits, and the gutting of work rules, so as to enable it to temporarily redeploy skilled workers in other jobs at lower wage rates.

During the lockout, U.S. Steel is using production from other USW-organized facilities in Canada and the U.S. to fill its orders. When in operation, the Nanticoke facility accounts for about 10 percent of U.S. Steel's total output.

U.S. Steel has twice before imposed lengthy lockouts at former Stelco mills. Long Canada's largest steelmaker, Stelco was purchased by U.S. Steel in 2007.

Three years ago, U.S. Steel locked out the Nanticoke workers for eight months in an ultimately successful drive to impose a two-tier pension system. Workers at Hilton Works in Hamilton were locked out for almost a year in 2010-11. There the USW accepted a concessions-laden contract that froze wages, imposed a two-tier pension scheme, ended the inflation indexing of pensions, and slashed hundreds of jobs.

As in the two earlier lockouts, the USW is isolating the Nanticoke workers, while instructing workers at other U.S. Steel mills to remain on the job.

Indeed, the union is allowing the company to continue to run part of its Nanticoke operations. While the vast majority of the USW members at the Lake Erie Works are locked out or on layoff, approximately 160-180 members of another USW bargaining unit are “pickling”—that is surface finishing ready-formed steel—shipped in from other US Steel facilities, including the Hilton Works, in nearby Hamilton. The “pickling” completed, the steel is being sent from the Nanticoke mill to customers in both countries.

Bowing to company threats, Local 8782 has posted a directive on its website urging the locked-out workers to “refrain from talking to any of our members during working hours including lunch because...they will be disciplined if caught.” This is accompanied by the text of a management letter that forbids those still working in the plant from having “any interactions (including conversations, phone calls, texting, etc.) with the Local 8782 picket line employees” during working hours.

While enforcing pro-employer labor laws and ordering US Steel Workers on both sides of the border to do work normally performed at the Nanticoke mill, the USW is promoting reactionary Canadian nationalism, so as to thwart any movement for a united struggle on the part of U.S. Steel and steel industry workers in North American and internationally against all concessions, job cuts and mill closures.

Accepting the company's rationale that workers' wages should be tied to investors' profits, the USW District 6 and Local 8782 leaders argue that U.S. Steel's labor costs at the Nanticoke plant are actually lower than at its U.S. mills. They have also accused U.S. Steel of “unfairly” distributing work within the company, to the detriment of its Canadian operations.

The reality is all workers at U.S. Steel and all working people in North America and around the world are facing a business offensive aimed at making them pay for the crisis of capitalism, through wage and job cuts and the destruction of all the social gains the working class made through the convulsive social struggles of the last century.

The *World Socialist Web Site* spoke late last week with locked-out workers picketing the Nanticoke plant. While the workers were determined to beat back the company's concession demands, many expressed scant confidence in the union.

Jeff Badger, who has worked at U.S. Steel for two-and-a-half years as an electrician, said U.S. Steel's concession demands had “left us no choice.”

“The sticking part of the contract,” he explained, “was they had what's called ‘broad banding.’ So if they don't

have work for you that you were hired for, they can give you work to do elsewhere in the plant, which is all fine and dandy—no one had a problem with that. The problem we have is that they stuck a little clause in there that says you'll be paid according to the job class that you're working in.

“What that means is, as an electrician, if I come in and they don't have any electrical work for me, they can hand me a broom, which is all fine and dandy, but I'm going to be getting paid at the rate the janitor's getting paid at instead of what my electrical rate is. And I have x amount of bills every month and I can't decide on x, y or z amount of money. I have to know how much money I'm going to make at the end of the month so I can budget and be financially responsible.”

Jeff said that the workers were “all pissed” when the International office of the USW had forced Local 8782 to hold a second vote on the company's derisory contract offer “because they didn't want to pay the strike pay of a million dollars a month.”

Jeff expressed frustration over the lack of political alternatives for working people. “The way I look at it right now is: I have two options. I can either take up arms and fight, or I can use the system. I don't believe in violence. I believe that should be a last resort. I want to make politicians accountable. There has to be no secrecy and if you've broken the law, it should be treated like you've broken the public trust.”

When asked what he thought about the fact that fellow union members are continuing to work at the mill while they are locked out, another picketer, Mark, noted that in an earlier period the unions had been associated with significant advances for workers.

“It would be better if we had a larger collective voice, but what can I do about it? Believe me, that question goes around all the time. At one time you had a much larger base in the unions but the numbers have kind of dissipated. Now it's more divide and conquer. I believe the president of the USW now sits on the board with the Obama government.”

Another picketer, Joe, voiced concern about Canadian and U.S. workers being divided and set against one another: “The problem is that this local needs to be a part of the American local because without that, we don't have the power that they've got. If the Americans decide that they don't like the contract, they could shut all those mills down at one shot. We're just a lone mill here. It's too easy to shut us down and walk away. We need to be part of the bigger picture. When their contract in the

States comes due, ours should come due at the same time. But they wouldn't want that. Unless this Canadian operation becomes part of the American, then this kind of thing's going to happen every, say, three years when the contract comes due.”

John, who has worked at the mill for the past two years, expressed anger over the Conservative government's 2011 decision to allow U.S. Steel to escape from production and job commitments it had made in exchange for Ottawa's approval of its purchase of Stelco. “We had a deal to sue U.S. Steel for infringing on their agreement when they bought this place. They had conditions they had to uphold. They didn't uphold them so we tried to sue them to get that stuff back and the government went in through the back door and made a deal with them and didn't tell us what the deal was.”

Another worker who did not want to be named spoke about the unions' increasing integration into management and the growth of corporate power.

“In some auto plants in the United States, unions have come up with agreements to bring nonunionized members into their union as part of another collective, not to improve their wages, their benefits or anything, but then just to take the union dues off the top. So these workers were better off when they weren't represented, when they were just independent employees or contractors of something like Ford or General Motors.

“I just think that corporations and the evil powers that exist behind the government of the elite are too strong for us to do anything about on a small scale. It doesn't look real good for our future. Anyone who wants to educate themselves on the problems and challenges of working people and how the government has made it harder for people to live can see that the powerful have become more powerful, more rich and more controlling. And that makes it harder for everyone else like us who try to eke out a living for our families.”



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**