Canada: US Steel forces locked-out workers to vote on concessions contract

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Having locked out nearly 1,000 workers at its Lake Erie Works in Nanticoke, Ontario for the past three months, U.S. Steel is now forcing them to vote on its concessions-laden "final" contract offer.

Under Ontario labour law, employers have a one-time-only right, whenever a new collective agreement is being negotiated, to compel a vote on a contract proposal without the union's approval.

U.S. Steel is banking on the severe hardship imposed on workers during the lockout and the abject refusal of the United Steelworkers (USW) to wage a genuine struggle against the transnational steelmaker to ram through a contract that eviscerates all job security protections, slashes benefits, guts work rules, eliminates cost-of-living increases and freezes wages.

U.S. Steel had demanded that the union bargaining committee put its proposal to the membership without recommendation. But the union leadership balked fearing such a capitulation would strip them of any credibility before the membership.

In a series of recent communications addressed to the locked-out workers, Local 8782 President Bill Ferguson has centered on management's bid to eliminate prohibitions on the contracting out of work.

While the company's drive to eliminate employment-level guarantees certainly constitutes a major attack, Ferguson's almost exclusive concentration on this issue is a clear signal from the USW leadership that it would be ready to accept management's other concession demands virtually without amendment if U.S. Steel cedes some ground on the contracting-out issue.

The Ontario Labour Relations Board has scheduled the vote for Wednesday, July 31.

U.S. Steel imposed the lockout—the second at the mill in three years—on April 28, after workers overwhelmingly rejected its demands for yet another round of contract concessions.

The company is using production from other USW-organized facilities in Canada and the US to fill its orders. When in operation, the Nanticoke facility accounts for about 10 percent of U.S. Steel's total output. The company has twice before imposed lengthy lockouts at former Stelco mills. Long Canada's largest steelmaker, Stelco was purchased by U.S. Steel in 2007.

The move by the company to force a contract vote comes on the heels of a decision by Service Canada—the federal department that oversees (un)employment insurance (EI) claims—to reject the locked-out workers' request for EI benefits. The USW, which has kept the Nanticoke workers isolated and refused to launch a campaign to mobilize its membership in U.S. Steel plants across North America in strike action, had banked its threadbare strategy for a resolution of the dispute on the government dispensing employment insurance payments, thereby boosting the meager lockout pay dispensed by the union.

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.

During the lockout at the Hilton mill, after a lengthy dispute with Service Canada, workers were ultimately given EI benefits. Normally such payments are not awarded by the government during strikes or lockouts. However, the Conservative government of Prime Minister Stephen Harper was reluctantly embroiled at the time in an embarrassing lawsuit with U.S. Steel over the company's violation of employment-level guarantees that had been included in its agreement to purchase Stelco. The government, therefore, felt it politically prudent to approve the workers’ employment insurance claims. Shortly after the end of that lockout, the government, to U.S. Steel’s delight, announced that it had dropped the lawsuit against the company. Harper, soon thereafter, increased EI eligibility requirements and cut jobless benefits as part of his government’s overall austerity drive.

As in the two earlier lockouts, the USW is instructing workers at other U.S. Steel mills to remain on the job and do the work normally done by the locked-out workers.

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 U.S. 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 earlier 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 was 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.

The USW has cast the Nanticoke conflict in nationalist terms. It accuses U.S. Steel of shipping work formerly done at the Lake Erie Works south of the border, whilst failing to account for why the union—which organizes workers throughout on both sides of the border—has consistently refused to launch continent-wide strike action against the company and imposed round-after-round of job and wage cuts on workers at steel mills across North America.