

United Steelworkers block strike of US steelworkers

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Emboldened by the refusal of the United Steelworkers (USW) to call a strike, United States Steel offered a revised contract Wednesday that is essentially the same as their first proposal. Under the new proposal, the wage increase still falls far short of the rate of inflation and the offer includes massive cuts to healthcare and retiree benefits.

Last week, workers at US Steel mills around the country rejected the company's first contract offer and voted unanimously for strike action against the second largest steel producer in the United States.

Ignoring the demands of their members for strike action, the USW leadership ordered the bargaining committee back to Pittsburgh and reopened talks with the steelmaker this week. In a statement issued by union officials declaring they would not call a strike, they said instead "our committee will be returning to Pittsburgh next week to resume negotiations with US Steel management in an effort to reach an honest and fair settlement."

In blocking strike action the USW is desperately seeking to keep the struggle of steelworkers from linking up with the growing struggles of workers across the US—Chicago hotel workers, teachers and the hundreds of thousands of workers at United Parcel Service who are working without a contract.

Assured that the union would continue to suppress the demands of its members the company's new six-year offer is essentially the same proposal workers rejected overwhelmingly the week before.

Steelworkers have not had a pay raise in over three years. The new proposal offers wage increases of 4 percent in the first year and just 2 percent in each year after that. The previous offer was 4 percent in the first year, 3 percent in the second and third years and 1 percent in each of the remaining three years.

In the second proposal, a worker would earn the same in the first year of the contract, earn less in years two, three and four; earn about the same in year five and only end up with a few hundred dollars more in the last year of the contract. Their cumulative earnings would be substantially less throughout the life of the contract.

Assuming that inflation continues at its current rate of 2.9 percent per year, workers will actually be taking a 5 percent pay cut by the end of the contract on top of the nearly 6 percent pay cut they have taken since 2015.

The company is abolishing its current healthcare plan and replacing it with two options, which increase workers' coinsurance rate from 10 percent to 20 percent while increasing both deductibles and total out-of-pocket costs.

The new proposal also continues the attack on retiree healthcare. Monthly premiums for current retired workers who are not yet eligible for Medicare will jump to \$240 in January and increase each year to \$340 a month in the last year of the contract. The second proposal does not stipulate what new retirees would pay. In the first proposal, however, the company sought an increase to over \$800 a month.

US Steel is also seeking to rob the Voluntary Employees Beneficiary Association plan or VEBA. The company is proposing that all money in the plan above 110 percent of the plan's obligations be used to pay for other benefits. At least on paper, the value of the VEBA fund has increased because of the stock market boom, but if the company can cash out this extra amount it will leave the fund vastly underfunded in the event of a significant stock market downturn.

In what can only be taken as a provocation, the new proposal includes profit-sharing bonuses for the third and fourth quarters of 2018. These bonuses were part of the previous agreement and the implication is that

unless workers accept these concessions they will lose these payments.

Contracts for 16,000 workers at US Steel and 15,000 workers at ArcelorMittal expired on September 1. The USW refused to call a strike and instead ordered workers to continue working at both companies. Luxembourg-based ArcelorMittal is the third largest producer of steel in the United States, but is the largest steel producer in the world outside of the US.

ArcelorMittal is also demanding deep concessions, including cuts to healthcare, supplemental unemployment benefits, incentive and vacation pay. In addition, the company is seeking to cut health benefits for retired workers.

On Thursday, the USW announced that it would conduct strike votes at ArcelorMittal locals next week beginning on Monday. As with US Steel, the USW is making it clear in advance that they will not call a strike but will return to the bargaining table next Thursday.

The USW is keeping workers at the US Steel and ArcelorMittal divided, as well as isolating workers at Cliff Natural Resources, whose contract expires October 1, and workers at ATI, whose contract expires next year. In 2015, the USW isolated steelworkers at ATI after the company locked out all 2,000 employees, eventually forcing them to accept massive concessions and layoffs.

The UAW does not represent the interests of steelworkers. Instead it functions as an arm of management to suppress the interests of workers, help the company to impose concessions and boost productivity.

At the heart of the USW betrayal is its promotion of nationalism and chauvinism. Instead of uniting steelworkers and other sections of the working class in a common struggle against the corporations, the USW is one of the largest backers of the Trump administration's trade war measures against China, Europe and other steel producing nations. The USW fully supports the tariffs that have been imposed even though they have already resulted in the layoffs of tens of thousands of steelworkers in China.

The Socialist Equality Party calls for the formation of factory committees among steelworkers and other sections of the working class. These committees would elaborate the demands of steelworkers, rejecting all

demands for concessions and fighting for real and substantial improvements in wages, pensions and healthcare. They would oversee contract negotiations, insisting that all talks be carried out in the open, not behind closed doors, and insist on the principle of "no contract no work" in preparation for strike action.

Factory committees would work to break the isolation being imposed by the USW, linking steelworkers at US Steel, ArcelorMittal, Cliff Natural Resources and ATI with steelworkers throughout the world in a common struggle against the transnational corporations.

Such a struggle will require a socialist program, under which steel along with all basic industries are taken out of the hands of private ownership and placed under the democratic control of the steelworkers and the working class as a whole. Production must be run for the benefit of all and not the profits of a few.



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