

United Steelworkers announces tentative deal with US Steel

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Late Monday evening the United Steelworkers union (USW) announced on its website that it has reached a tentative agreement for a new four-year contract with US Steel (USS). The announcement released no details of the tentative agreement, which will cover 16,000 workers in Pennsylvania, Indiana, Illinois, Ohio, Michigan, Alabama, Texas and Minnesota.

The union said “USW members will hold meetings in the coming weeks to review and discuss the tentative contract before casting their votes” but no date for the meetings or vote was released.

Since the expiration of the previous agreements on September 1, the USW has kept on the job not only USS workers, but 15,000 steelworkers at ArcelorMittal as well. All this time, the union has ignored the unanimous strike votes by workers at both giant steel companies.

In the last contract, the USW agreed to a three-year wage freeze and other cost-cutting concessions. These givebacks added to the enormous profits the steelmakers have gotten as a result of Trump’s tariffs on foreign steel and aluminum and the president’s huge corporate tax cuts. Far from backing off from their concession demands, however, US Steel and ArcelorMittal have doubled down, demanding more wage freezes, cuts to healthcare and pensions for current, future and retired workers and the introduction of a second-tier of workers making lower pay and benefits.

In his statement, USW International Vice President Tom Conway said, “Every member of this union should be proud of what we accomplished. This group of workers stood up to a hugely profitable company and demanded a piece of the success they helped to create.”

This is hogwash. There is no doubt that the USW and steel bosses did no more than slightly modify the last

offer for a six-year deal that included wage increases of only 4 percent in the first year and just 2 percent in each year after that. With the current rate of inflation at 2.9 percent per year, whatever meager pay increase the USW has agreed to will be more than eaten up by rising living costs and health and pension givebacks.

The USW has not suddenly changed its stripes after spending the last four decades colluding with the steel bosses and billionaire asset strippers like Wilbur Ross—Trump’s commerce secretary—to slash the jobs, living standards and working conditions won by steelworkers over generations of sacrifice and collective struggle.

Rank-and-file workers must prepare now to beat back the efforts of the USW to ram through yet another sellout. US Steel workers should form rank-and-file committees, independent of the union, to demand that workers have access to the full tentative agreement—not just bogus “highlights”—and two full weeks to study and discuss it before any ratification vote. Rank-and-file workers should elect monitors to oversee the vote and the counting of ballots in order to prevent any fraud by union officials and management.

A campaign must be mounted to defeat this sellout and advance the demands of rank-and-file workers themselves for the restoration of all USW-backed concessions, a 30 percent across-the-board raise, the abolition of forced overtime and for workers’ control over production, including output and safety conditions. US Steel workers must break through the efforts of the USW to divide steelworkers and fight for the preparation of a national strike against US Steel, ArcelorMittal and other steel producers.

Rank-and-file committees should also reach out to broaden the struggle, to UPS and other logistics workers, hotel workers, auto and auto parts workers,

teachers and others—to unite in a common fight to overturn decades of declining real wages for workers even as corporate profits, CEO pay and the stock market hit record highs.

The tentative agreement with US Steel comes after the USW pushed through a four-year deal with iron-ore supplier Cleveland-Cliffs last Thursday. The contract covers 1,800 workers at four iron ore mines: Hibbing Taconite and United Taconite mines on the Iron Range in Minnesota, and the Tilden pit and plant in Michigan’s Upper Peninsula. The terms of the contract will be retroactive from October 1, the expiration date of the last contract.

The union’s website announced that the contract includes, “significant wage increases in each year of the contract, maintains high quality, affordable health care coverage and strengthens retirement benefits”, and included a sign-on bonus and “improvements in vacations for junior employees.”

Joe Frederickson, president of USW Local 6860 at United Taconite, told *Business North* that the contract represents “a mutual friendship between the union and the company. We both have the same goal, to make money for the company and to be able to have a good life on the Iron Range.”

For whom does this “good life” exist? Not for the workers, who will take wage and benefits concessions in order for Cleveland-Cliffs to continue to make profits and continue to labor for long hours under dangerous conditions—issues which were not addressed by the contract.

Instead it will benefit Cleveland-Cliffs shareholders and corporate management, including CEO Lourenco Goncalves, who made \$22,911,303 in total compensation off of the backs of workers in 2017 alone. Also benefiting will be the affluent business managers that run the USW, including President Leo Gerard, who pockets a salary of over \$213,509 per year, not including bonuses and kickbacks he receives for sitting on corporate boards and the compensation he earns from Wall Street investments.

The USW’s blocking of potentially the first nationwide strike in the steel industry since 1986 is significant in the context of war preparations by the Trump administration, indicated by the release in a recent US Department of Defense document titled, “Assessing and Strengthening the Manufacturing and

Defense Industrial Base and Supply Chain Resiliency of the United States.” The document made clear the US drive for war, particularly against China, and the need to secure a well-disciplined and lower-cost manufacturing workforce for America’s war machine.

The USW has supported Trump’s trade war measures and military buildup against China and has close ties to former steel baron and current Commerce Secretary Wilbur Ross, and Peter Navarro, an outspoken anti-China critic chosen in 2016 by Trump to oversee American trade and industrial policy.

Economic nationalism has always served to divide the international working class and provide a cover for the unions’ efforts to boost the profits of the corporations at the expense of the working class. Steelworkers have begun to reject the nationalism of the Trump Administration, which promised that tariffs on foreign metals imports would lead to improved wages and working conditions. After steel prices rose and stocks surged in the months following the rollout of the tariffs, steelworkers have made no gains, and continue to suffer from falling wages, high healthcare costs and long working hours under dangerous conditions. These conditions led to the unanimous strike votes last month.

Steelworkers in the US must recognize nationalism as the language of their class enemies, and that their fight must be waged by uniting workers around the world against the global corporate giants and the big business politicians and union executives that serve them.

US Steel workers should reach out to workers at Cleveland-Cliffs, ArcelorMittal, AK Steel and other steel companies for support. They must reach out to metal workers in Brazil, China, Russia, and other countries who are being exploited by the same multinational corporations.

To take this forward, steelworkers must elect rank-and-file factory committees to assert their interests against the corporate-union dictatorship in the steel mills.



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