

Talks continue after workers at Cascade Steel Rolling Mills in Oregon vote overwhelmingly to strike

Jessica Goldstein
13 July 2019

Contract talks are continuing after 97 percent of the 280 workers at the Cascade Steel Rolling Mills in McMinnville, Oregon, voted to strike on June 26. The workers, members of United Steelworkers (USW) Local 8378 have been working under an extended contract since April 1, with the final extension set to expire on August 1, after which a strike may be called.

Cascade Steel workers have shown their overwhelming determination to fight back against the attacks on their rights and their living standards. They should not wait for the corrupt USW to tell them when they can or cannot strike. Workers should take the initiative by forming a rank-and-file committee in the mill to organize a strike action and start reaching out to other workers in the region as well as nationally and globally.

Cascade Steel Rolling Mills are recycled steel mills, also known as mini-mills, and have been owned and operated by Portland, Oregon-based Schnitzer Steel Industries, Inc. since 1984. Schnitzer owns a network of 96 metal recycling facilities around the US, including 52 “Pick-n-Pull” locations. Workers at Cascade Steel melt and refine recycled metals from the company’s scrap yards into construction materials such as rebar, wire rod and merchant rod. The fact that the corporation both uses recycled raw material and does not outsource its raw material for steel manufacturing makes the operation highly profitable.

Schnitzer is the fifth largest publicly-traded company in the state of Oregon, worth an estimated \$670 million on the NASDAQ stock exchange. In 2018, it more than doubled its annual gross profits from \$173 million to \$354 million. CEO Tamara Adler Lundgren earned over \$9 million last year.

The company’s profits came at the expense of the company’s harshly exploited workforce. Workers at Cascade Steel endure grueling conditions to churn profits for Schnitzer and its wealthy shareholders, including round-the-clock, 12-hour shifts in extreme temperatures and dangerous conditions.

Workers went on strike during the last round of contract negotiations in 2012, but were forced back to work by the union and the company without a contract. The union worked hand-in-hand with the company to isolate the striking workers and wear down their resolve by using the mills’ 100 nonunion employees as strikebreakers.

After shutting down the strike, management and the union worked to impose a sellout contract which included massive wage and insurance cuts. The pitiful one percent wage increase per year was well below the rate of inflation, and was additionally offset by an increase in healthcare premiums in which the worker’s contribution increased by 1 percentage point to 16 percent. Production bonuses for workers were also cut at the same time that the company was raking in enormous profits.

In 2019 Schnitzer is demanding that workers accept an even greater cut to their living standards. The corporation is offering a wage increase of just 2.25 percent each year of the contract, below regional inflation of 2.9 percent per year. The union’s wage proposal of a measly 4 percent would not even catch workers up to their wages before the 2012 concessions. Currently, wages range from \$22.17 per hour to \$35.05 per hour on average, with some workers in the plant likely making far less.

Under Schnitzer’s proposal dental plan coverage paid

by the company will be lowered from \$2,500 per year to \$1,750. The corporation is also attempting to force workers at the mill to pay massive increases to their health insurance premiums, increasing their contribution to 28 percent by the end of the contract, in line with the 30 percent of the premium paid by non-union workers in its scrapyards.

In response to management demands the USW is attempting to pit workers in the mill against workers in the scrapyards. Local 8378 President Jim Blue told *NW Labor Press*, “the jobs are pretty different.”

Cascade Steel workers cannot allow themselves to be divided from their class brothers and sisters. They must reach out to the workers in the scrap metal yards, who face the same degrading and dangerous conditions, to join their fight.

With the anger of workers at the boiling point, in an unprecedented move the USW opened negotiations to union members to watch, with some workers showing up regularly.

However, as the *World Socialist Web Site* noted in relation to the upcoming national auto contracts, negotiations between unions and companies are little more than theater, put on to mask the union-management conspiracy against workers. The unions have long degenerated to the point where they act as little more than cheap labor contractors, guaranteeing “labor peace” in exchange for kickbacks and bonuses, legal and illegal, for well-paid union bureaucrats. At the same time they stridently promote American nationalism, blaming job and wage cuts, not on the corporations, but on exploited workers in other countries.

The USW and Schnitzer management are scheduled to meet with a federal mediator from July 29–31 in an attempt to agree on contract terms and avoid a strike. Behind the façade of contract talks, a deal has likely already been worked out involving further, deep concessions.

Workers at Cascade Steel need to draw lessons from the past experience of their struggles. In 2012, the USW sold them out in the name of keeping the company competitive. Now, the local president is saying that he does not want to “break” the company, promising publicly that the USW will pose no demands that threaten Schnitzer’s profits.

In 2018, the USW ignored unanimous strike votes by

workers at ArcelorMittal and US Steel and pushed through concessions in a sellout contract that imposed a meager 14 percent wage increase over four years with no benefit guarantees for new hires.

No amount of pressure will force the USW to fight. Rank-and-file workers at Cascade Steel must take the struggle into their own hands by forming a rank-and-file committee to draw up their own lists of demands, which should include the right to a safe workplace, complete oversight over all negotiations both public and secret, and an immediate 40 percent wage increase to make up for past concessions and full paid health insurance for workers regardless of location or job title.

At the same time the struggle of Cascade Steel workers is part of a broader fight. Under conditions of mounting trade war and signs of impending recession, stockholders everywhere are demanding ever-greater attacks on workers. The working class must answer with its own political strategy, opposing to the profit drive of the corporations the demand for the public ownership of the steel industry and other basic industry under the democratic control of the working class.

We encourage steelworkers who are interested in carrying out this fight to build rank-and-file committees to contact us today.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact