

ArcelorMittal lays off hundreds of steelworkers in Indiana, Ohio

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ArcelorMittal, the world's second largest steel producer, laid off 877 workers last Saturday at its Indiana Harbor Mill in East Chicago in northwest Indiana. Seven hundred seventy-four workers will be laid off indefinitely, and 103 salaried employees will be laid off permanently.

Also on Saturday, 353 operations and 72 maintenance employees were laid off at ArcelorMittal's Eggers Avenue plant in Cleveland, Ohio. In a Worker Adjustment and Retraining Notification (WARN) notice sent last Saturday to the state of Indiana, ArcelorMittal Indiana Harbor Vice President and General Manager Wendell Carter said, "Many of the company's customers closed their operations due to the COVID-19 pandemic. Despite their reopenings, business conditions continue to be depressed during the pandemic, with no significant improvement in demand for the products we manufacture foreseen in the near term. This has had a direct impact on our business."

The layoffs in Indiana and Ohio are part of an ongoing global assault on steelworkers' jobs and working conditions. In early June, workers at ArcelorMittal's plant in Ilva, Italy, in the country's impoverished south, struck in opposition to plans to slash 5,000 jobs.

At the same time, the company has forced workers to labor under unsafe conditions in the midst of the coronavirus pandemic, jeopardizing the health and lives of workers and their families. At ArcelorMittal's plant in the Mexican port city of Lázaro Cárdenas, at least 21 workers have died from COVID-19.

While the company has spent years enriching its investors via stock buybacks and dividends, it has sought to justify its attacks on workers by pointing to its recent disastrous financial performance. The company announced last week a net loss of \$559

million for the April-June quarter, worsening substantially from last year's second quarter net loss of \$447 million. Sales plummeted to \$11 billion, compared to last year's second quarter earnings of \$19.3 billion. For the first half of 2020, sales decreased by 32.9 percent to \$25.8 billion when compared with \$38.5 billion for the first half of 2019, primarily due to lower steel shipments, which declined 23 percent from last year's first half.

Despite the drop in revenue and income, the company has managed to pay down debt, with net debt down to \$7.8 billion at the end of June.

The forced and reckless reopening of the economy in the midst of the coronavirus pandemic has spurred steel production more recently, driven in part by the resumption of production by auto plants. Integrated steel mills rely on auto production for about half their demand, and ArcelorMittal's plants in northwest Indiana feed the nearby Ford Chicago Assembly Plant, which reopened in mid-May.

Along with the restart of production, backed by both the Trump administration and Democratic Party state governors, the cheap-money policies of the Federal Reserve and the transfer of trillions to banks and corporations via the CARES Act have massively reinflated the stock market. ArcelorMittal's share price has rebounded 43 percent since late March.

With demand for steel ticking back up, the companies have moved recently to reopen partially idled plants. US Steel announced last month it would restart another blast furnace at its Gary Works in Indiana to meet increased demand in part due to the reopening of the Ford's Chicago Assembly Plant, and yesterday, ArcelorMittal announced it would restart its #4 blast furnace at Indiana Harbor.

Nevertheless, the steelmakers are determined to use

the economic crisis to implement even more painful attacks on jobs and working conditions, adding to a yearslong assault on workers.

Last week, ArcelorMittal's Chief Executive Officer Lakshmi Mittal indicated further "structural changes," i.e., cost cuts, were being considered, saying in the second quarter earnings statement, "There are now signs of activity picking up, especially in regions where lockdowns have ended, but clearly it is prudent to remain cautious about the outlook. Against this context, we are examining what structural changes might be required to ensure the company is well configured to prosper in the coming years as demand recovers."

The layoffs in Indiana and Ohio will have a devastating effect on local communities. Before the pandemic and economic crisis, 36 percent of Gary, Indiana's residents, which sits to the east of East Chicago, lived below the official poverty threshold of \$24,600 for a family of four as of 2017. The Food Bank of Northwest Indiana recently reported that it distributed about 1.1 million pounds of food in June alone. In 2019, the food bank distributed 5.1 million pounds of food for the entire year.

ArcelorMittal is the second-largest steel producer in the world, surpassed this year by China's Baowu, and the largest in the United States. According to ArcelorMittal USA, it employs approximately 18,000 workers at 27 operations in the United States.

Of these 18,000, some 15,000 hourly production, maintenance, office and technical are members of the United Steelworkers union (USW), which has worked hand in hand with companies for decades to shutter steel mills, decimate jobs and force through concessions agreements.

Since the 1980s, the USW has rammed through contracts which have gutted the living standards of steelworkers and undermined their safety. In 2018, the union sought to suppress the widespread opposition to further givebacks in contract negotiations that year, ignoring unanimous strike votes at ArcelorMittal and US Steel, while seeking to channel anger behind reactionary nationalism and anti-Chinese chauvinism.

The recent and tragic death of 71-year-old steelworker George Salinas at the Indiana Harbor Mill is the latest outcome of decades of collusion between the union and the company.

The fight for the defense of jobs and safe working

conditions requires steelworkers to take matters out of the hands of the pro-corporate USW and form new organizations of struggle, rank-and-file safety committees, linking up with their brothers and sisters throughout the US and around the world.

At plants in Michigan and Ohio, autoworkers have formed rank-and-file safety committees independent of the United Auto Workers union in order to demand protection from the coronavirus and an end to retaliation. As one Toledo Autoworker put it, "Workers must stand up and say, 'Enough is enough,' and form rank-and-file committees and link up with auto workers and other sections of workers."

The *World Socialist Web Site* and Socialist Equality Party will do everything possible to assist steelworkers in forming rank-and-file safety committees. To learn more, contact us today.



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