

US Steel announces layoffs at Granite City Works in Illinois

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US Steel could axe as many as 950 jobs at its Granite City Works mill across the Mississippi River from St. Louis, as part of a potential deal with Chicago-based SunCoke Energy announced Tuesday. US Steel, the second largest raw steel producer in the US behind Cleveland-Cliffs Inc., is considering a deal with SunCoke to “repurpose” blast furnaces at Granite City Works over the next two years, according to the *St. Louis Post-Dispatch*.

The threatened job cuts are clearly a shot across the bow against more than 25,000 steelworkers at US Steel and Cleveland-Cliffs, whose four-year labor agreements expire on September 1. US Steel wants to beat back the demands of workers to overturn years of concessions and win substantial improvements in wages to protect them from record-high inflation.

SunCoke is a publicly traded raw material processing and handling corporation that mainly serves steel and power producers. The company produces coke, a high-carbon fuel essential for refining iron ore, a key element of raw steelmaking. It operates four coke-producing facilities in the US, including one near Granite City Works and one in Brazil.

If finalized, the deal would lead to the shutdown of the mill’s blast furnaces over two years and end all steelmaking operations. SunCoke will construct a new two-million ton facility to produce pig iron, one of the building blocks for steel.

The pig iron that SunCoke plans to make at the Granite City mill would be made of ore supplied by US Steel mines in the northern Great Lakes area, then sold back to US Steel for production in its mills in the US and Europe, a lucrative and parasitic operation for both corporations and their major shareholders. SunCoke would continue to produce coke for steelmaking at the Granite City Works, while the new facility is under construction, ensuring that profits will continue to roll in for both corporations.

About 1,500 workers are currently employed at the 127-year-old mill in Granite City. Nearly 1,000 jobs are threatened if the deal goes through. The job cuts will have a devastating impact on Granite City, where one out of five residents already lives below the official poverty line.

Responding to the job threats, United Steelworkers (USW) Local 1899 President Dan Simmons declared, “Today, Granite

City Works is a viable and profitable steel operation. ... There is no compulsory economic need to shut down its steelmaking and finishing capacity. However, in pursuit of financial greed, USS plans to shut down these vital resources and turn its back on both the skilled, hard-working steelworkers who have made this company successful and the community that has sustained it.”

The USW has spent decades forcing its members to accept concessions in wages, benefits and working conditions to make the steel bosses more profitable and supposedly “saving jobs.” Its policies of labor-management collusion, however, have failed to save a single job. Instead hundreds of thousands of jobs have been destroyed, with more than 50,000 lost since 2000 alone.

US Steel has been rolling in profits. It reported gross profits of \$5.74 billion in 2021, over two times the gross profits reported in 2020 (\$183 million), 2019 (\$855 million) and 2018 (\$1.87 billion) combined.

The last national collective bargaining agreement between the USW and US Steel was pushed through behind the backs of workers in 2018 after the union blocked a nationwide strike against US Steel and ArcelorMittal USA, which has since sold its US operations to Cleveland-Cliffs. The USW defied unanimous strike votes and signed a four-year deal, which did not include a single protective measure for workers’ jobs.

One year after the deal was signed with many workers still having not received the full contract, US Steel announced plans to lay off a total of 1,745 workers at its Great Lakes mill south of Detroit and idle the mill, shifting remaining operations to Gary Works in Indiana. More jobs were cut earlier in 2019 when the corporation idled the East Chicago Tin mill in Indiana and still more at Gary Works.

After cutting the labor force to the bone, the conditions of the remaining workers are even worse. With explicit language in the USW contract, US Steel was free to hire low-paid temp labor with few benefits to fill positions. Fewer workers and high productivity demands in the mills have translated into long hours, fatigue and injury and even death for the workers who remain.

A 42-year-old worker was killed on the job at Granite City Works in 2017 after the mill reopened after shutting down in 2015, and 2,000 workers were laid off. When the mill reopened

with a skeleton crew, Local 1899 President Simmons hailed it as “good news” and a “step in the right direction.”

In 2020, 45-year-old worker Troy Allen, was killed on the job at the Gary Works Mills. Both the USW and the corporation engaged in a coverup of the exact conditions that led to his death.

USW officials are screaming “betrayal” now, but there is no doubt that Simmons and other officials will change their tune as long as SunCoke continues to use the USW as a junior partner to enforce unsafe conditions and push through concessions contracts.

The company has been investing the money saved from cutting labor costs and safety and environmental expenses into reorganizing and rebuilding its operations at the expense of even more jobs and working conditions.

Since the passage of the last USW collective bargaining agreement, US Steel has moved more aggressively to enter the electric steelmaking market. In 2020, US Steel spent \$700 million to acquire a 49.9 percent stake in Big River Steel, the Osceola, Arkansas-based electric steel mill, which it had been in the process of acquiring since October 2019. Later the same year, the corporation announced the construction of an electric arc furnace at its Fairfield Works mill in Birmingham, Alabama.

Electric steelmaking is highly lucrative compared to producing steel from raw elements in blast furnaces, which must remain in production for years at a time. Electric mills can be stopped and started more easily to adjust to demand for production and profit. The operation of electric furnace mills also allows corporate management to take advantage of cheaper electricity costs at off-peak hours. Fewer workers spread out over multiple shifts engaged in the production of steel has allowed electric steel companies to extract even greater surplus value from workers and has led to more dangerous conditions for the workers.

With the acquisition of competitor ArcelorMittal USA by Cleveland-Cliffs, the production of steel in the United States is becoming more and more cutthroat. To secure a greater share of profits, both US Steel and Cleveland-Cliffs will do anything possible to cut pay and working conditions for workers and slash jobs.

The jobs cuts are another devastating exposure of the economic nationalism of both the Republican and Democratic parties. The trade war policies of the Trump administration only helped to accelerate the crisis for industrial workers in the US.

Steel prices in the US rose at the beginning of 2018 after the Trump administration’s 25 percent import tariffs against foreign steel, particularly targeted against China, were initially rolled out. In the aftermath, companies around the world have opted for cheaper alternatives, and countries have retaliated with their own tariffs, leading to a significant drop in steel prices. The working class was forced to pay the price.

The USW had long been a vocal supporter of the trade war policies of Trump. In early June, USW President Conway wrote Biden asking for the president to retain the steel tariffs in a letter containing a filthy anti-Chinese tirade.

The Democratic Party has drawn the USW and other unions even closer into the government as the White House accelerates its military aggression against Russia and China and imposes austerity and labor discipline at home.

Conway held secret talks with Biden in February 22 to block a national strike by 30,000 oil refinery and petrochemical workers for better pay and working conditions and signed a deal that Conway boasted “did not add to inflationary pressures.” The USW ensured the continuation of domestic energy production as the Biden administration laid out plans for its reckless war against Russia, unhindered by any intervention of the working class that might disrupt it.

Chevron oil workers in California, who rejected the nationwide sellout deal, carried out a courageous strike for two months before the USW shut it down without achieving their aims.

Throughout the world, metal workers are joining the increasing number of struggles against surging inflation and the complicity of the pro-company unions. In May, workers at Companhia Siderurgica Nacional (CSN) in Volta Redonda, Rio de Janeiro, Brazil’s largest steel mill, rejected a sellout contract brought by the Metalworkers Union of Sul Fluminense.

Last year, 150,000 steel and metal workers in South Africa carried out a massive strike that had the potential to draw in workers from across the whole country. They were ultimately betrayed by the National Union of Metalworkers of South Africa.

Workers at Granite City Works and in the surrounding area must fight to defend the jobs that US Steel threatens to cut. Workers need to take the initiative for this struggle independently of the USW and AFL-CIO unions, which uphold the “right” of the corporate bosses to do whatever they see fit to enrich themselves, regardless of the impact on workers and their families.

Workers should take the initiative to build rank-and-file committees to defend their jobs and take the contract negotiations and voting into their own hands. These democratic organizations, run by workers themselves and independent of the trade unions and the Democratic Party, will fight to unite different sections of struggling workers in the US and around the world, in a combined fight against the major corporations, their political lackeys and the capitalist profit system they defend.



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