

Vote “No” on USW phantom deal with Cleveland Cliffs

Jessica Goldstein
31 August 2022

Work in the steel industry? Tell us what you think of the USW-Cleveland-Cliffs deal, and what you think workers should be fighting for.

The United Steelworkers announced a tentative agreement with Cleveland-Cliffs Saturday, while releasing few details of the agreement. The USW bureaucracy is forcing workers to vote on an unseen “ghost” contract with little to no information on how wages, benefits and safety conditions will be affected over the course of the next four years.

If ratified, the contract will go into effect September 1. The contract covers 12,000 steelworkers in Illinois, Indiana, Minnesota, Ohio, Pennsylvania, and West Virginia. While workers are expected to vote on the contract, the USW is being tight-lipped on the voting process. There is a possibility that many members will not be given clear information on how to vote and that the union will attempt to manipulate the vote by demoralizing and intimidating workers. There has been no mention of a signing bonus.

The few details so far made public demonstrate that the contract is a sellout that must be voted down decisively by Cleveland-Cliffs workers.

According to KSTP.com ABC 5 News in Minneapolis, Minnesota, “the tentative agreement improves wages by more than 20% over the current rates and improves the current health insurance provisions for both workers and retirees. It also includes a commitment for Cliffs to invest \$4 billion in USW-represented facilities throughout the four-year term.” Cliffs controls the Minorca mine in Virginia, MN.

The wage increases proposed by Cliffs and the USW amount to about 5 percent each year. With inflation hovering at 8.5 percent, the wage “increases” amount to a significant pay cut. The attack on living standards will be compounded if workers’ out-of-pocket health care costs and union dues go up as a result of the terms of the contract.

Cleveland-Cliffs Chairman and CEO Laurence Goncalves praised the union-brokered deal: “Our employees are the heart and soul of Cleveland-Cliffs. The USW is a partner and an ally, and we look forward to sharing in our future success together. This agreement allows us to do just that, while keeping our cost structure highly competitive.”

USW International Vice President David McCall, chair of

negotiations with Cliffs, echoed the language of the union’s corporate bosses in an August 29 USW news release on the agreement. “Our tentative agreement with Cliffs management recognizes the vital role Steelworkers have played in the company’s success,” McCall stated.

“Our plants will continue to be safer and our jobs and benefits more secure under the proposed agreement ... Cliffs has committed to a plan to invest in its USW facilities that will improve production, create sustainable jobs for USW members and ensure success for the company.” He continued, extending a hand to Goncalves and Cliffs executives, “We look forward to the future knowing that Cliffs understands that our plants run best when management and our union work together to solve problems for the benefit of everyone.”

This marks the first tentative agreement between Cleveland-Cliffs and the USW since the mining giant acquired AK Steel and ArcelorMittal USA in 2020 to become the largest flat-rolled steel producer in North America. Workers are facing an abject betrayal by the USW after decades of being kept in the dark during contract negotiations, only to have pro-company deals rammed through and critical details hidden from members until after the deal is signed.

Workers expressed opposition to the USW’s anti-democratic tactics in comments on social media responding to the *Northwest Indiana Times* July 30 article titled “USW said it is making progress in negotiations toward a fair contract.”

A worker wrote sarcastically, “Whew! Glad the newspaper heard anything before the members. USW tell the paper about our profit sharing too?”

Another veteran worker warned other workers, “That’s their go to statement!! Make sure you read the fine print that you won’t see until after the contract is ratified. Been there many times.” In response, another worker wrote, “Like how new hires get less pay. They never mentioned anything like that last contract.”

The contract the USW rammed through in 2018 at US Steel and ArcelorMittal (later acquired by Cliffs halfway through the contract period) provided no protections for new hires or guarantees for wages, nor any job and safety protections for any of the 30,000 steelworkers the contract covered. The deal was pushed through after the USW refused to carry out a strike

despite the fact that workers unanimously voted for strike action at both companies.

The unions have maintained and expanded the hated tier system to the benefit of highly profitable industrial corporations all over North America, most notably in the auto industry where workers with 20 years of experience work alongside new hires who are brought in at half to one-third of top wages. In the US, the unions have maintained the tiers in the name of keeping the cost structure of the corporations “highly competitive” under Democratic and Republican administrations alike.

This system benefits the corporations by not only increasing the exploitation of workers, but also by dividing the workers inside the plants in order to undermine unity and disrupt opposition to the corporate assault of working conditions and living standards.

In 2018, workers were deliberately gaslighted by the union. Though they were told to sign up for picket duties, they were never called out on strike, and then given only “highlights” of a tentative agreement, not the full contract. Then they were told to mail in ballots that would be counted without the oversight of rank-and-file workers.

The USW has insisted that its joint collaboration with management in monitoring health and safety, enshrined in the very pro-management contracts it pushes through, will keep workers safe on the job. Steelworkers know from experience that this is a lie. Safety conditions in the mines and mills remain as dangerous as ever, as each new contract allows the company to cut jobs and expand highly-exploited contract labor without providing proper training.

Workers are facing deadly conditions in mills that Cliffs operates. In July, a young steelworker was seriously injured at the USW-represented Cleveland-Cliffs Indiana Harbor Mill in East Chicago, Indiana when he was pinned under a steel coil. Two days prior, a 46-year-old worker was killed at the company’s Middleton Works hot strip mill, where workers are “represented” by the International Association of Machinists.

Throughout negotiations with Cliffs, the USW concealed important details from workers. It sent vague email and text updates throughout the closed-door meetings with management, all rehashing the claim that the USW was working on negotiating a fair contract and “interactions with management remained positive.”

The Cleveland-Cliffs negotiations will set the bargaining pattern for workers at US Steel. In contrast to the tone of blatant collaboration with management, the USW is posturing by taking a “tough” stance in negotiations with US Steel. The reality is, however, whatever rotten deal the USW manages to force on Cleveland Cliffs workers will then try to shove down the throats of US Steel workers.

The USW is a pro-corporate organization whose class allegiance has been paraded on full display since the outbreak of the US-NATO proxy war against Russia in Ukraine when

USW International President Tom Conway held closed-door meetings with the Biden Administration to give the union’s word that it would prevent a national strike of oil workers in the US. The result was a sellout deal that imposed miniscule wage increases, far below the rampaging rate of inflation.

This time around, there is not even a mention of a strike vote among steelworkers, despite the past four years marked by mass layoffs, deaths in the mills, and staggering inflation. In the wake of its convention in Las Vegas, during which it further solidified itself with the corporate ruling class against the global working class, the USW betrayed Bridgestone, Goodyear and Michelin tire workers by pushing through sellout contracts after calling off a strike by Goodyear workers in North Carolina moments after they announced a tentative agreement.

Workers have every right to be skeptical of this tentative agreement. The *World Socialist Web Site* urges steelworkers at Cleveland-Cliffs and US Steel to campaign for the rejection of the contract. Organizing this opposition requires that workers take the initiative to organize their own democratic rank-and-file committees independent of the USW to discuss their demands and organize a genuine fight against the company. As long as the fight of steelworkers remains subordinated to the USW it will be sabotaged and betrayed.

Workers have a powerful example in the Volvo Workers’ and Dana Auto Parts Workers’ rank-and-file committees, which organized powerful opposition to UAW and USW-backed sellout contracts independent of the union bureaucracy. Steelworkers need the support of their allies in the international working class to organize united opposition against the union bureaucracy that sits like a dead weight on the power of the working class in its struggle to end the capitalist system of exploitation of labor for private profit.

The WSWS will provide political and organizational support for steelworkers who want to learn more about how to take the first steps to organize a rank-and-file committee to fight for opposition to these contracts. Contact us today to get in touch.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact