

Mexican steel workers continue strike in defiance of courts and union

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On May 24, 3,500 workers at the ArcelorMittal steel mill located at the Pacific port of Lazaro Cárdenas in the Mexican state of Michoacán began a work stoppage, which was declared a strike on June 4. Workers placed red and black flags on the main gate to the plant and blocked access to the mill. Workers also blocked the company's Las Truchas mining complex 27 kilometers from the mine.

ArcelorMittal, founded by Indian magnate Lakshi Mittal, who was once ranked by *Forbes* as the sixth richest man in the world and is a member of the board of directors of Goldman Sachs, is the world's second-largest steel company. Ranked 197th in the 2022 Fortune Global 500 list of the world's largest corporations, it is valued at around \$94 billion and recorded a \$4.9 billion adjusted profit last year.

The strike was declared by Section 271 of the National Miners Union (National Union of Miners, Metallurgical, Steel and Similar Workers; the SNTMMSSRM), commonly known as "Los Mineros."

It was called over gross underpayment of profit-sharing payments owed the workers under Mexican law. This is a recurring issue, leading to a short-lived strike in 2022. The workers are also seeking a legally mandated bonus payment.

The mill provides 8,000 direct jobs and up to 50,000 indirect jobs and produces 30 percent of the steel for the Mexican market. It supplies key industries such as construction, automotive, and appliance manufacturing. Its downtime in turn affects the US supply chain.

ArcelorMittal claims that the illegal blockades have caused significant production losses, in the range of 500,000 metric tons of steel, and damage to its main blast furnace.

ArcelorMittal obtained rulings from three labor courts that the strike is illegal, and an order granting

injunctive relief on June 18. But the workers continued their strike. A hearing on its legality is now set for August 8 in a constitutional court.

Rulings have also blocked the arrest of nine workers sued by the company for launching the conflict.

The company has threatened a mass dismissal of the strikers, and that it would seek outright to annul the collective bargaining agreement.

However, despite its bluster, and reflecting a measure of the strikers' collective strength, the company on Monday, July 8 proposed the following resolution of the strike:

- To pay profits owed to the workers as determined by an independent body for the year 2021, and submit the question for the years 2022 and 2023 to an auditor selected by the Ministry of Labor and Social Welfare for the years 2023 and 2024;
- To make a net payment of 40,000 pesos (\$2,250) to each worker that would be distributed half in vouchers and half in cash, which would also be granted to members of sections 272 and 336 of the union;
- To cover 75 percent of the salaries of the days not worked by strikers, calculated back to May 24; and
- Not to undertake to exert pressure on workers or take reprisals derived from the present labor dispute.

Section 271's workers by Tuesday evening, July 9, voted to reject the company's proposal. Whether the company will now make additional concessions is unknown.

The national union had opposed Section 271's strike actions back to May 24, and it urged approval last week of the company's proposal, of which it was undoubtedly a co-author.

The national union is headed by the notorious Napoleon Gómez Urrutia, who fled Mexico for 10 years over accusations of embezzling \$55 million from

the union trust.

Gómez Urrutia has a long prior history of colluding with the government in Mexico in stripping away Mexican mine and steelworkers' benefits, pensions and wages.

The Miners Union has partnered for years with the AFL-CIO's Solidarity Center, a long-time vehicle for extending US imperialism's control over foreign unions and labor struggles. Gomez is also a long-time president of the International Confederation of Workers (in Spanish, the CIT), which has ties to major unions in the US, Canada and the United Kingdom, such as the AFL-CIO and the United Steel Workers.

Los Mineros in 2017 endorsed the presidential campaign of President Andrés Manuel López Obrador, known as AMLO, and Gomez Urrutia ran for and became a senator in Congress for AMLO's Morena party in 2018. He has also served as president of the Labor and Social Welfare Commission and secretary of the Economy Commission.

There are reports that Gomez Urrutia has insistently sought to meet with the Morena president-elect Claudia Sheinbaum in recent weeks, most likely to seek her influence to end the strike, but has so far been rebuffed. There is speculation in the Mexican press that this may be due in part to the fact that the incoming head of the Morena deputies, Ricardo Monreal, has other high contacts in the union bureaucracy who oppose Gomez Urrutia.

In 2019, AMLO met personally with the steel company's owner Lakshmi Mittal to thank him for promising to invest \$1 billion more at Lázaro Cárdenas and guarantee "security for your investments."

The miners' strike stands at a dangerous crossroads, with the threat of a favorable ruling for the company and reprisals that costs their livelihoods. One need only recall, among countless other examples, the thousands of firings after the 2019 Matamoros wave of wildcat strikes, although the companies had committed not to carry out reprisals.

The strikers at ArcelorMittal must prevent their struggle from being subordinated to the venal calculations of any faction of the union bureaucracy, whose privileges and careers are ultimately tied to winning the favor of management, the government and imperialism. No trust can be placed in these corporate stooges.

Strike committees must be established immediately under the democratic control of the rank-and-file workers themselves, to oversee all negotiations and contract votes, and to advance demands for what workers actually need—not what the company claims it can "afford."

Steel workers are facing a massive multinational corporation, with even more powerful financial groups and governments behind it. Their rank-and-file committees must, above all else, appeal to and actively seek to mobilize steelworkers, miners, autoworkers and their class brothers and sisters in other sectors across North America and internationally to support their struggle.



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