

US steelworkers, autoworkers demand wage hikes in new contracts

By Jerry White
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There is a growing mood of anger and resistance among American workers to corporate wage-cutting and speedup in the sixth year of a supposed economic recovery that has benefited only the wealthiest sections of the population.

Workers in the steel, auto, airline and telecom industries have already faced, or are about to face, contract expirations, and sentiment is spreading for a unified struggle to recoup lost income and win significant improvements.

Contracts covering 30,000 steelworkers at ArcelorMittal and US Steel facilities in the US expire on September 1. Two weeks later, on September 15, contracts run out for 140,000 autoworkers at General Motors, Ford and Fiat Chrysler. This has thrust these workers into a fight not only against the corporations and their Wall Street financiers, but also against the Obama administration, which has spearheaded the drive to slash labor costs for big business.

It has also set them on a collision course with the trade unions—the United Steelworkers (USW) and United Auto Workers (UAW)—which have collaborated in the corporate-government attack and blocked a unified struggle by workers.

On Wednesday, hundreds of steelworkers demonstrated outside of the East Chicago, Indiana offices of ArcelorMittal, the world's largest steelmaker, in one of a series of protests this week in Pennsylvania, Illinois, Michigan, Ohio, West Virginia and Alabama.

Both ArcelorMittal and US Steel are engaged in a cost-cutting drive to boost returns to wealthy shareholders. According to the USW, ArcelorMittal is demanding a new contract that includes a three-year wage freeze, cuts in medical benefits, and a two-tier system with reduced pay and benefits for new workers.

With Obama's "Cadillac Tax" on health care packages at most unionized firms due to start in 2018, ArcelorMittal wants employees with families to pay \$250 a month in premium contributions. It is seeking to triple the monthly premiums of retirees. It also reportedly wants to end payments into the union-controlled retiree health care trust and push the workers onto Obama's private insurance exchanges.

Mike Porter, a steelworker with 37 years seniority, told the *Times of Northwest Indiana* that he had received "almost poverty-level" sick pay when he was being treated for prostate cancer. Of the company's plans to push retirees onto private health insurance, he said, "Some of those that are retired are only living off \$800 a month. How are they going to afford private health care?"

The steel giants have thrown down the gauntlet and are threatening workers with mass layoffs if they do not accept their demands. Last week, US Steel announced the permanent closure of a blast furnace at its Fairfield Works near Birmingham, Alabama and the layoff of 1,100 workers. This followed the announcement by ArcelorMittal that it might shut one of its five hot strip mills in the US.

Last Saturday, Pittsburgh-based specialty steel manufacturer Allegheny Technologies Inc. (ATI) locked out 2,200 workers after the USW failed to bring the company's "last, best and final" contract offer to a vote of rank-and-file union members. ATI's proposal included cuts in health benefits and a restructuring of overtime pay for workers already subjected to 12-hour shifts. The company has brought in strikebreakers and a paramilitary security force. Industry analysts say ATI will set the pattern for the entire steel industry.

With the corporations clearly coordinating their attacks, ATI workers on the picket lines in the mill

towns of Brackenridge and Vandergrift, Pennsylvania readily agreed to the need to unify workers in every industry against these attacks. One worker told the *World Socialist Web Site*: “They tell us they have no money. How come [ATI Executive Vice President Bob] Wetherbee is worth \$10 million when they want health care cuts that will take \$35,000 out of our pockets over the next four years?”

When WSWS reporters discussed the need to unite steelworkers with the workers at General Motors, Ford and Fiat Chrysler, a worker responded, “We should all go out on strike. The Verizon workers are working without a contract too!”

Last month, 12,000 Southwest Airlines flight attendants and 11,000 Delta Airlines pilots overwhelmingly rejected contract deals recommended respectively by the Transport Workers Union and the Air Line Pilots Association. These workers are demanding improved wages at airlines that are making billions in profits.

The growing sentiment for a fight was also expressed in near-unanimous strike authorization votes by Fiat Chrysler workers at factories throughout the Midwest. Autoworkers have suffered through a decade-long wage freeze and eight years of a two-tier wage system that pays newer workers little more than half the wages of senior workers. Since Obama’s 2009 restructuring of the auto industry, which expanded the two-tier system and wiped out tens of thousands of jobs, GM, Ford and Fiat Chrysler have made a combined profit of \$90 billion.

The auto executives have used billions in profits not for expanding production, let alone improving wages and working conditions, but for financing stock buybacks to push up share values and further enrich the corporate-financial elite.

A second-tier Fiat Chrysler worker in Detroit told the WSWS: “I didn’t know the steelworkers’ contracts were up too. We should all go out together. The companies are greedy, not the workers. It’s insulting to us to say we are making too much or that we have ‘Cadillac’ health benefits. Tier-two workers already get inferior coverage and I have to spend \$150-200 in co-pays on a big medical bill.

“The unions won’t unite us. They already have us working side-by-side with another worker who is making twice as much. That turns us into enemies

instead of allies.

“If workers are going to unite, we have to do it as workers. Autoworkers and steelworkers have a common fight. What affects one of us affects all of us. We are lied to and pacified by the UAW and the USW. The consensus in the plant is that they won’t call a strike and they only held the votes to make us think we have a voice when we don’t.”

The UAW has remained silent on the negotiations it is carrying out with the auto companies. There have been reports that the union is seeking to expand the union-controlled retiree health trust to current employees, which would lead to further cutbacks, and to establish a new third-tier of supposed “non-skilled” workers who will have even less pay and benefits than current second-tier workers.

The only statement coming out of the UAW talks this week was a denunciation of GM for considering a plan to import a Buick crossover vehicle from the company’s factories in China. The injection of such nationalist poison is designed to drive a wedge between US workers and their brothers and sisters in China and other countries, while promoting the lie that American workers and the multi-millionaire executives and shareholders have a common interest in “saving” US jobs. The UAW, the USW and other unions have long peddled this line in order to impose endless sacrifices on workers in the name of making US corporations more competitive, i.e., more profitable. The result has been the destruction of hundreds of thousands of jobs.

The growing mood of resistance among workers in the US is part of an international phenomenon, reflected in the increasing number of strikes in Germany, China, Brazil and other countries. In opposition to the nationalism of the unions, workers in the US need an international strategy to fight the global corporations. Workers must also be organized as a politically independent force in opposition to both big business parties and the capitalist system they defend.

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