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**U.S. Steel Industry in Turmoil**  
**The Need for Modern Strategies and Tactics**  
**to Defend the Interests of Labour**

– K.C. Adams –



USW Local 1005 contingent in Hamilton Labour Day demonstration, September 1, 2014.

The U.S. steel industry is struggling to maintain itself as a source of maximum profit for the rich. The imperialist economy has reached a level of productivity where investment in both fixed and circulating value of the means of production dwarf the number of workers producing new value. This means the rate of profit for investors is under constant downward pressure.

Owners of steel stock, equity and debt are forcing executive managers and governments to maintain a certain rate of profit for them through various means. These include state-organized pay-the-rich schemes such as President Biden's *Inflation Reduction Act*, mergers and acquisitions to concentrate ownership allowing monopoly control of both production and steel prices, and constant expansion of the war economy with endless wars of destruction and the current enormous public spending for the U.S./NATO proxy war in Ukraine. U.S. Steel has also engaged in using revenue to buy back steel shares depleting resources. Within this situation, the owners target steelworkers and their wages, benefits and pensions by putting them into a constant state of anxiety and insecurity and demanding concessions.

Steelworkers in Canada and the U.S. have been under enormous pressure for two decades with loss of jobs, income and pension security. U.S. Steel has been a terrible villain in this regard with forays into state-organized bankruptcy protection, buying, selling and closing mills and other schemes where the only concern is the narrow private interests of the owners certainly not the economy, steelworkers and their communities.

The United Steelworkers (USW) has often denounced U.S. Steel for its anti-worker and anti-steel community practices. USW says U.S. Steel scrapped an investment to renew the Mon Valley steel facility just outside Pittsburgh and is abandoning its blast furnace at Granite City in order to outsource production of pig iron instead of rebuilding the furnace for its own operations. USW writes, "It betrayed workers in the Mon Valley by cancelling the \$1.2 billion investment. Instead, U.S. Steel purchased non-union Big River Steel for \$1.5 billion and in 2022 began construction of a \$3 billion state-of-the-art mini-mill at the non-union plant. None of this preserves USW jobs or invests in our plants or communities. We know we cannot rely on management to put workers' interests first."



The aim of the imperialists in control for private profit at the expense of the working class, their communities, economy and nation-building lies at the heart of the problem. The aim is not to build the economy and nation leading to prosperity for all but to do everything for private profit of the few.

Currently, U.S. Steel has concocted yet another scheme to enrich its owners by putting the entire company up for sale. For several quarters U.S. Steel has experienced falling gross income from sales and declining profits as steel prices have not kept pace with price inflation for raw material and energy. The decline in profit and dim prospects have affected its stock price and made owners unhappy. They are demanding action from executives to do something such as selling the company's assets.

Several big monopolies including Cleveland-Cliffs, Esmark and ArcelorMittal have expressed an interest in buying U.S. Steel to expand their control over the U.S. steel sector. A takeover by Cleveland-Cliffs would give it about 50 per cent of the U.S. flat steel market, 100 per cent of blast furnace production and close to 100 per cent of production of U.S. iron ore. For example, U.S. Steel's two blast furnace plants in Indiana remain critical for automotive products, which account for nearly a third of total domestic steel demand. Industrial consumers of steel are sounding the alarm over the proposed acquisition saying such a level of control coupled with U.S. tariffs against imported steel would give Cleveland-Cliffs carte-blanche to dictate domestic steel prices.

Cleveland-Cliffs' offer of around \$7.3 billion in cash and its own stock, which is supported by the big banks J.P. Morgan, Wells Fargo, Moelis & Company LLC and UBS, represents a 43 per cent premium on the current U.S. Steel stock market share price. After an initial flurry of speculation over the offer, everything has gone quiet with U.S. Steel launching "a process to explore interest from potential acquirers within a strategic review and signing confidentiality agreements and exchanging due diligence with interested parties." It has put an embargo on all information declaring the proposed sale a private matter and no concern of others.

Of course, any sale of means of production is not a private matter but a concern for all and in particular those employed and their communities. Steelworkers seek to defend their jobs, their unions, their communities and the public interest in the face of the dictate of owners that consider all of the above disposable so long as they can make a killing.

The challenge for steelworkers and their organizations and for the broad working class and others in the steel communities is to discuss what is going on, work out a vantage point which sets their own aim and work out a line of march that can be effective in defending themselves in the current situation.



Steelworkers have to become adept at mobilizing the broad public in the defence of the rights of all against the attacks of government-backed narrow private interests. Their plant in Hamilton has been flipped time and time again with narrow private interests making a killing but the workers were able to identify how to uphold the dignity of labour within the situation. They are now under great pressure to pick a buyer and believe the buyer has their interests at heart.

USWA 1005 raised the slogan, *Our Security Lies in the Fight for the Rights of All!* and this is as true today, if not more so, as it was when they first raised it and used it to explain to themselves and the Canadian people how much steel Canada needs for its own projects and what needs to be done to meet this need with production carried out in Canada. They can explain to themselves and to the entire people what are the useful projects which serve the people as a whole and how wasteful war production must be stopped. They can unite in action with the workers in the U.S. to make sure the interests of labour are upheld at this time. The U.S. is up to no good at home or abroad and the workers need to be vigilant to oppose the government of Canada's appeasement of aims which will purely enrich those who are already filthy rich.

***Steel, Not Steal! No to Paying the Rich!***



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