

## Labor in Focus by Leif Johnson

### The U.S. Steel lockout

*The companies that made 65% of the nation's steel last year, are now preparing for bankruptcy.*

In the first major strike against America's largest steel producer in 27 years, 42,000 members of the United Steel Workers are manning picket lines instead of furnaces.

For many of those workers, (only one-third of the 120,000 workers the company employed in 1972), the feeling is that there is something far larger than a strike here. For one thing, the men are locked out. At 10:30 p.m., July 31, an hour and a half before the contract expired, the men who showed up for the next shift at the giant Gary, Indiana mill were given slips by the security guards telling them to go home. When the exiting workers of the previous shift were gone, the gates were chained. The union had asked the company to be allowed to keep working under the old contract and restart negotiations. The company refused and had laid off men in increasing numbers before the contract expiration.

A month ago, when U.S. Steel reorganized the company into a holding company, USX, a steel division, USS, and an oil and gas division and engineering division and other branches, it became clear that the company was now better prepared to shut down its steel-making by putting the steel division into bankruptcy, if it so intended. Carl Alessi, legislative director of the USW District 31, says he believes that the USX will dump all its steel-making except for a small amount of high-cost specialty steel. USX last year produced 12,900,000 tons of steel, slightly more than a fifth of American production.

On July 17, LTV corporation, the

second-largest American steel company, filed for bankruptcy and provoked a strike at its flagship Indiana Harbor plant by cutting off medical and insurance benefits to its retirees. A federal court ruled that the benefits be restored. LTV produced 10,675,000 tons of steel in 1985, over a sixth of domestic output.

Meanwhile, Bethlehem Steel, which produced 8,792,000 tons, or about a seventh of U.S. output, is known to be on the edge of bankruptcy after years of heavy losses due to violent price cutting among producers. The nation's seventh largest producer, Weirton, is an over-age tin mill which its present owners, its employees, have little capacity to modernize.

Another producer, Armco Steel, took a \$385 million loss on its second-quarter balance sheet. Armco produced 4,373,000 tons in 1985.

Taken together, these producers made 65% of the nation's steel in 1985. Nearly 40 million tons of capacity are therefore threatened with elimination if the companies either wish to shut them down, or fall into bankruptcy.

At the end of 1985, this country produced only 60 million tons of steel—not counting remelted steel. The Soviet Union produced 105 million tons, with its Eastern European captive nations adding another 40 million tons.

Mark Fairchild, the Democratic nominee for Illinois lieutenant governor, demanded on July 29 that the federal government seize and operate the USX and LTV plants, re-employ the workforce, make good on all contract obligations, and keep the plants oper-

ating, in the national interest.

"This is a military emergency. While the Soviets are in the biggest rearmament push the world has ever seen . . . America shuts down its mightiest steel mills. Can Japan defend us? These plants produce the steel for our tanks, for our ships, for our ordnance and the machines needed for defense.

"The federal government must, as in time of war, operate these plants, and let the banks and 'creative financing' wizards take the loss," Fairchild said.

The pattern emerging at USX is to work the ever-dwindling workforce until the mills are shut one-by-one. At the huge Gary Works, layoffs have been so severe that only men with 15 to 20 years of seniority were still on the job, depending on their job classification.

Despite the union's peculiar non-willingness to attack this pending national catastrophe, steel workers have some idea that they are not in an ordinary work dispute. One electrician at the Gary Works said he didn't want to go out, but he would have been laid off anyway, despite 20 years seniority, because the company would have contracted out the work. Another worker said the company couldn't operate with just day laborers at \$3-\$4 an hour and that was proof that the company was slowly going to stop producing steel.

Earlier this year the union agreed to eliminate the industry-wide contract and open up early bargaining in return for a contribution of \$300,000 per year from each company, except USX, which refused. The union put the money in a "Crisis in Steel Agreement" which spent this year's money on a satellite TV extravaganza beamed from Washington, D.C. to local events throughout the nation.