History has been our heritage. It was given to us by our forefathers. It always will be.

UNITED STEELWORKERS

A BRIEF HISTORY OF OUR UNION, ITS STRUGGLES AND ACCOMPLISHMENTS

Nothing we have was given to us without a struggle. It never will be.

From 1974 through 1983 we negotiated four contracts. Below is a summary of those contracts. Older members should read this to refresh their memories. Newer members need to read it to understand what we have today wasn't given to us by the companies.

1974

2,800 workers walked off of the job at 12:01 AM on August 1, 1974. The picket lines were up at the Republic Mine, the Mather "B" Mine, the Humbolt Plant, the Ore Improvement Plant, the Pioneer Pellet Plant, the Empire Mine, the Tilden Mine, the General Shops and the Diamond Drill Department. CCI's workers joined the USW represented employees in Minnesota who also walked off of the job to bring the total to 10,300 striking members. The strike affected five iron ore producing companies: Reserve Mining Co., Erie Mining Co., Eveleth Taconite Co., Hanna Mining Co. and Cleveland-Cliffs Iron Co.

10,300 Miners Walked Off Of The Job At 12:01 on August 1st.

On Friday, August 2nd, negotiators for both parties left Duluth, MN and returned home, as talks between the Steelworkers and CCI had broken off with no new negotiations scheduled. On August 8th, both parties retuned to Duluth to resume contract talks.

On Friday, the 9th of August at 6:30 AM, a dozen men carrying signs picketed the entrance to the Tilden Mine. The 1,000 construction tradesmen who were building the Tilden, honored the picket line and refused to report to work. Dan McCormick, Industrial Relations Representative for Kaiser Engineering—the builder of the mine—said the pickets were at the site because of a "lack of negotiations" in Duluth.

"CCI remained the only company that would not sign a contract…"

On Monday, August 12th, Cleveland-Cliffs remained the only company of the five that would not sign a contract with the Steelworkers. The delay was over local issues that had been proposed by the Union's negotiating committees at CCI's Michigan operations.

Talks were moved to Ishpeming on August 14th and at 9:30 PM Thursday, August 15th, the parties came to an agreement.

The settlement contained:

* A 68-cent-per-hour wage increase over the term of the three year contract.
* A new Cost-of-Living Adjustment formula with improved calculations and an annual COLA wage roll-in to the Standard Hourly Wage Rate Scale.
* Increased minimum pension benefits:
  $11.00 for each of the first 15 years of service.
  $12.50 for each of the next 15 years of service.
  $14.00 for each year of service over 30 years.
* Supplemental Unemployment Benefits rose from $82.50 to $100 when employees receive Unemployment Compensation.
* Pay for a holiday worked increased from 2-1/4 time to 2-1/2 time.
* Increased vacation bonuses during the non-desirable weeks of the year.
* A dental plan covering the employee and his/her family.
* Four weeks vacation for employees with 17 years and 5 weeks vacation for employees with 25 years.
* A $310 bonus.
* A "straight-eight" work day. (prior to this, employees on steady day shift had to work 8-1/2 hours with 1/2 hour of unpaid lunch breaks.)
* Adoption of the Experimental Negotiating Agreement (ENA) which meant that if the parties could not come to an agreement on the terms of a settlement in 1977, they will arbitrate their differences instead of a strike or lockout. However, the ENA did not apply to local issues and the Union retained the right to strike over such issues. The duration of the ENA would apply for one negotiation and will be decided by the parties if it will be renewed.

Holiday pay went to 2-1/2 time and dental insurance was provided for employees and their families.

1977

The basic steel agreement (wages, insurance, pension) had already been signed in Pittsburgh earlier in the year under the Experimental Negotiating Agreement (ENA).

In late July, a strike over local issues seem imminent as the deadline closed in.

The predominant issue leading to a strike was over incentive pay. Incentive pay was based on production and was part of a steel mill workers wages, but not part of an iron miners wages. The disparity in wages amounted to a 65-cent-an-hour difference between the iron miners and the steel mill workers.

INCENTIVE PAY WAS THE PREDOMINANT ISSUE LEADING TO A STRIKE.

The steel and iron ore companies claimed that the incentive issue fell under the already agreed to basic steel agreement and that a strike over incentive would be illegal under the ENA. Local Union leaders in Michigan and Minnesota contended that since the workers in the steel mills already had incentive pay, the issue became a local one, thereby allowing a strike. The possible strike had the full support of the USW and its president, Lloyd McBride.

On July 26th, ten major steel makers and five iron ore producers filed a request in federal court to bar the possible strike, claiming it violated the Experimental Negotiating Agreement which prohibits industry-wide strikes. A federal judge in Pittsburgh listened to three days of testimony before coming to a conclusion on Friday, July 29th.

U.S. District Court Judge Daniel J. Snyder ruled that Steelworkers at Midwest iron ore mines would violate the industry's landmark no-strike clause (ENA) if they walked out on August 1st. He also said that incentive pay was not a local issue as the Union contended. However, the judge refused to block the threatened strike saying his court lacked jurisdiction to issue an injunction in the dispute.

Attorney Leonard Scheinholtz, chief counsel for the 15 companies, said they intended to file an appeal. Union representatives said a strike could still be averted if the companies returned to the bargaining table. A spokesman for the steel companies said the strike would cost the industry several million dollars a day. 17,000 miners in Michigan and Minnesota walked off the job on August 1, 1977 caused by the unresolved locals issues proposed by the Union.

The chief counsel for the 15 companies said they would appeal the decision.

A Cleveland-Cliffs spokesman said that " CCI believes that many of the Union's demands are not legitimate local issues."

U.S. Steel Corporation spokesman Andrew Starsky said the steel companies would file a compensatory damage suit asking for millions of dollars in daily damages because of the strike.

Negotiations resumed on Monday, August 8th between CCI and the local unions. Talks continued for the month of August with little or no progress. In a media statement on August 24th, USW Local 4950 President Paul Gravedoni said the company will not negotiate the other issues in dispute until the incentive pay has been resolved. He also said that they refused to discuss the incentive pay, calling it a national, not a local issue.

Negotiations continued into the month of September locally, but in Minnesota there hadn't been any negotiations for more than a month. On September 8th, Director Wayne Horvitz of the Federal Mediation and Conciliation Service called for negotiations in Minnesota to end the five week old strike. He sent telegrams to the mining companies and the local unions advising them that federal mediators would contact them to arrange negotiations.

Five federal mediators were sent to Minnesota to try and settle the dispute. Talks between CCI and our local union negotiators continued also, but without a mediator. The results from both produced no new agreement and the strike went into October as the incentive issue was still unresolved.

On October 22, 1977, Sam Scovil, President of Cleveland-Cliffs, sent a letter to all striking employees with a plea to return to work. He stated that the strike was in its thirteenth weeks and that each and every employee, the community and the company were all in a "no win" situation. He showed the amount that each employee had lost during the strike and stated that wages in the steel industry were 60% higher than the average for manufacturing in this country.

In his closing paragraph, he stated that he placed great value on Cliffs relationship with it's employees, and that "We are all part of the Cliffs team. It's time for the team to get back to work."

In a Mining Journal response on Tuesday, October 25th, USW Local 4950 President Paul Gravedoni said, " CCI has just about exhausted its bag of dirty tricks. Sam Scovil is trying to say , 'You've lost enough, go back to work,' but there's no way we're going to be hoodwinked to drop the incentive issue."

" CCI has just about exhausted its bag of dirty tricks. Sam Scovil is trying to say, 'You've lost enough, go back to work,' but there's no way we're going to be hoodwinked to drop the incentive issue."

Scovil's letter had little or no effect on employees or their position to hold out for incentive pay. What did have an effect is The USW's International President who informed the steel and iron ore companies that they were not going to break the solidarity of the miners. President McBride was able to hammer out an incentive deal with the companies and brought the proposal back to the Union negotiators for ratification. The proposal was rejected by the unions with the claim that " it just wasn't good enough."

McBride went back to the companies and hammered out another deal which the union negotiators approved. The contract went back to the general membership for ratification, was approved, and the 113 day strike was over.

The settlement contained:

* Incentive pay amounting to 65-cents-per-hour beginning November 1, 1979.

* An 80-cent-per-hour raise over three years.
* Quarterly COLA adjustments and annual roll-ins..
* Two increases in the pension formula over three years.
* S&A benefits increased.
* $150 bonus.
* Vision care for employees and families.
* Improved life insurance for employees and retirees.
* Improved medical care for employees and retirees.
* Employees cannot be scheduled to work on their four day long weekend.
* Lunchrooms to be air conditioned.
* Operator cabs will be soundproofed.
* Access to their company personnel files by employees.
* Company to provide outside foul weather gear and insulated coveralls as needed.
* Company to provide any type work gloves. (prior to this, employees had to buy their C.B. gloves from the company.)
* Starting in 1979, a new holiday – United Nations Day.

EMPLOYEES DID NOT HAVE TO BUY THEIR WORK GLOVES ANYMORE. THE COMPANY WOULD PROVIDE THEM.

1980

The contract of 1980 was mostly an economic package as very few local issues were negotiated.

The USW International Union had come to an early agreement with the "Big 9" steel companies and the expectation was that the smaller "me too" companies would follow the pattern set by the bigger companies. On April 17, 1980 the USW signed the contract which included:

* A 60-cent-per-hour raise over three years.
* Cost-of-Living adjustments.
* Pension Increases.
* Shift differential increases.
* The first safety shoe program with two $40 payments to employees to purchase work boots.

Although the package doesn't appear to have many gains, the COLA adjustments were based on an estimated inflation rate of 11%. Also, the USW International Union knew of the pending recession that could spell hard times for the steel and iron ore industries.

The USW International Union knew of the pending recession and settled a contract quickly.

As early as the 1977 negotiations, foreign countries had begun "dumping" steel products in the U.S. at 25% below production costs. President Carter had met with the chairman of U.S. Steel, congressmen, senators and USW President Lloyd McBride on the "steel dumping" issue. Although Carter was against setting quotas on steel imports, he said that action would be taken against those countries that dumped steel into our markets at rock-bottom, below production cost prices.

But that action might have been too little too late.

The auto industry was now being hit hard by Japanese imports. Steel plants were beginning to close and iron ore sales began to plummet as the demand dropped. It was the beginning of a recession that would last nearly a decade.

On June 29, 1980 the effects of the recession hit home. CCI would be shutting down the Empire and Republic Mines for a period of at least several months. The layoff would affect 2,000 employees. The Tilden Mine would continue to operate with its 1,100 employees and produce about 8 million tons of pellets for the year, but those employees were subject to the displacement rights of the senior employees who were laid off from the Empire and Republic. The senior employees would "bump" those employees junior to them at the Tilden over a period of several months. CCI had huge stockpiles of pellets at the mines and until some of that supply was sold and demands increased, CCI didn't expect any workers to be recalled.

The recession had hit home and 2,000 miners were laid off.

G.A. Dawe, general manager for CCI's mining operations on the Marquette Range couldn't give any specifics as to the length of the layoffs. " How long the layoffs will last depends on an upturn in the steel industry and when the participating partner companies need more ore," he said.

Those of us working for CCI were about to face new challenges in contract negotiations that our union had not experienced since its organization. A full blown economic recession.

1983

The economic recession that dominated the 80's was in full swing. The auto industry had been hit hard by foreign imports and steel production in 1982 had fallen below 50% of capacity.

More than half of the industry's work force represented by the USW were on layoff. Cleveland-Cliffs had posted its first yearly loss since the Great Depression.

Congressional allies of the steel industry were unable to come up with a way to protect American steelmakers from Japanese competition. Imports had captured 22% of the market in 1982.

Most of Cliff's properties on the Marquette range had shut down permanently and the last property to close its doors was the Republic Mine in late 1981. All that remained were the Empire, Tilden and General Shops.

MORE THAN HALF OF THE STEEL INDUSTRY'S WORK FORCE WAS LAID OFF.

On March 1, 1983, at the USW Basic Steel Conference, the local union presidents from across the country voted 196-63 in favor of a 41 month concessionary contract with the steelmaking and iron ore producing companies. The contract was for an $1.25 per-hour pay cut and other concessions in exchange *for the industries promise to reinvest in its aging plants*.

USW Vice President Joseph Odorcich said that he was "not overjoyed" with the package, but it was better than the package calling for a $2.25 per-hour wage cut that the Union rejected in November and July of 1982.

All thought the pact was approved, all of the iron ore presidents in Michigan and Minnesota had voted against the agreement. They claimed it was a "giveaway" and that there were no guarantees against further plant closings, layoffs or purchases of steel or steel making supplies from Brazil or other foreign countries.

The contract contained:

* A $1.25 per-hour wage cut which was to be restored in yearly increments over the three year agreement.
* Sunday premium reduced to 1-1/4 time but restored to 1-1/2 time on May 1, 1986.
* COLA suspended with partial restoration in July of 1985.
* 13 week extended vacations and mini-weeks eliminated beginning in 1984.
* Loss of one week of regular vacation for employees with at least two weeks of vacation for 1983.
* Deletion of the vacation bonus.
* United Nations day eliminated as a holiday in October 1983.
* A monthly pension supplement was added for employees who retire before May 1983.
* Improved Supplemental Unemployment Benefits (SUB) for laid off members.

13 week extended vacations and mini-weeks were eliminated.

The year 1983 had not yet ended and ironic to the concessionary contract is what began to take place shortly after it was signed. The very companies that were crying poverty and pressing the Reagan administration for import quotas and restrictions with their right hand, showed that their left hand was doing exactly the opposite.

U.S. Steel— long pegged as the most ruthless and despicable of the steel companies—was betraying its own workforce. They had low bid on a skyscraper project in Seattle, WA and then bought and imported the steel from Korea instead of using steel from their own plants. Next, they began negotiations with the British Steel Corporation for semi-finished steel slabs. The British Steel Corporation was found to have been one of the highest government subsidized firms in Europe. U.S. Steel said if the deal with the British firm fell through, they would import the slabs from somewhere else.

On the home front, Wheeling-Pittsburgh Steel Co., a partner in the Tilden Mine, announced its plans to buy steel slabs from Brazil.

So much for reinvesting our concessions in their aging plants.

To be continued ......

UNITED STEELWORKERS

USW™

UNITY AND STRENGTH FOR WORKERS