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# U.S. Steel and "Treason"

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## U.S. Steel and "Treason"

### **Abstract**

[Excerpt] In a comparatively short time, the Midwest Center for Labor Research has established a reputation for insightful and well produced research which has been extremely valuable to labor and community activists. Unfortunately I feel that you have slipped backwards somewhat with your recent publication U.S. Steel: The Betrayal of America. This pamphlet is timely and right in criticizing U.S. Steel's plan to close part of the Fairless Works in Pennsylvania and import steel from Britain to finish there. But, there are several problems with the approach the authors of the pamphlet take.

### **Keywords**

union, labor movement, U.S. Steel, Midwest Center for Labor Research, outsourcing, Great Britain, United Steelworkers of America, USWA

## Correspondence

### U.S. Steel and "Treason"

In a comparatively short time, the Midwest Center for Labor Research has established a reputation for insightful and well-produced research which has been extremely valuable to labor and community activists. Unfortunately I feel that you have slipped backwards somewhat with your recent publication *U.S. Steel: The Betrayal of America*. This pamphlet is timely and right in criticizing U.S. Steel's plan to close part of the Fairless Works in Pennsylvania and import steel from Britain to finish there. But, there are several problems with the approach the authors of the pamphlet take.

First, there is continuous reference in the pamphlet to "treason" and "disloyalty" by U.S. Steel. There is mention that British workers will be hurt too, but little is made of this. Instead, we are told that the deal could threaten U.S. security, while the suggestion is made that "U.S. Steel should change its name to FOREIGN steel." And we are asked to remember Britain's colonial control of America. We all know that such appeals to the flag are emotionally powerful, but they also run the risk of fanning the dangerous flames of American nationalism. Simplistic antagonism to things foreign, whether

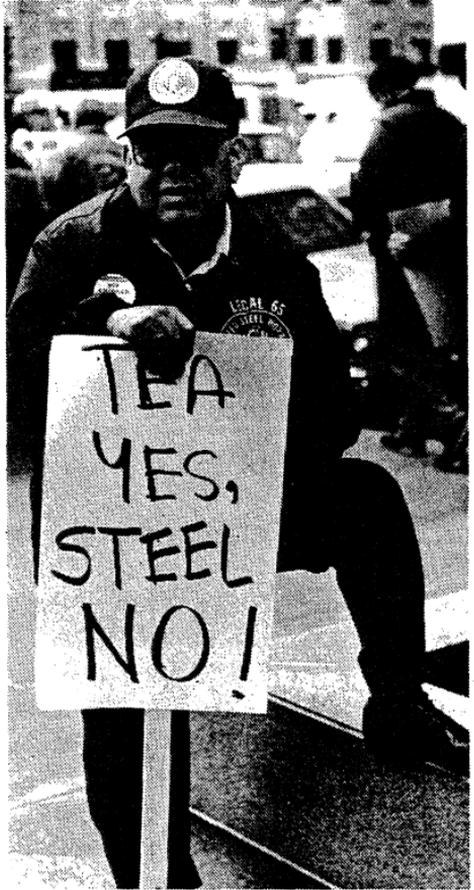


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it's the Japanese, Mexicans, or even the Russians, is bad enough right now in America. The USWA's national advertising campaign falls right into this nationalistic trap, with proclamations that the "British are Coming." Unfortunately, the MCLR pamphlet makes exactly the same error.

Second, the pamphlet is misleading about exactly what was the bargain struck by the steelworkers over concessions and the "promise of jobs and steel reinvestment." The impression is given that the Fairless deal is a surprise. But is it really? U.S. Steel has entered joint ventures with non-U.S. steel companies in the past, and has imported steel from overseas before. And we all know that the company has no overriding commitment to reinvest in steel—the Marathon Oil deal shows that. The proposed venture with British



*USWA demonstrator at USS stockholders' meeting.*

Steel is true to form for the company. Yet, the facts are that in the recent contract the union did not get a moratorium on plant closings, nor did the language on reinvestment of concession savings have any teeth to it. But the International still pushed it through. Claiming "betrayal" now is crying over spilt milk. U.S. Steel never guaranteed jobs, nor did it guarantee reinvestment. The International signed off on a bad contract, and now steelworkers both at Fairless and elsewhere are paying the price. The authors of the MCLR pamphlet know this, I am sure, but they do not discuss it in the pamphlet.

Third, the pamphlet would have been much improved if it had contained some information about what is happening in Britain. The Thatcher government has presided over the dismantling of British Steel, whose employment has dropped from 166,000

workers in 1980 to around 80,000 today. The twin aims of her government are to transfer BSC back to private ownership and smash the power of the iron and steel unions. Thatcher has hired Ian McGregor, former chairman of U.S.-based Amax and a partner of Lazard Freres (the investment bankers now involved in Weirton Steel), to implement this strategy, largely because of his skills in manipulating workers. The deal with USS would allow the Ravenscraig mill in Scotland to be privatized and eliminate 1,200 jobs. The British Iron and Steel Trades Confederation (of unions) is fighting this plan. However, by not mentioning anything about this in the pamphlet (and this information is not hard to obtain), an opportunity to link the struggles of both US and UK steelworkers was missed.

Finally, the pamphlet contains little in the way of proposals for action. How can the deal be stopped? Should there be a joint campaign with the British workers? How can the future of the Fairless Works be secured? (The company has threatened to close the plant down completely if the deal does not go through). These and other questions are vitally important, but again there is a missed opportunity. One is left with the impression that if U.S. Steel would only behave like a good American and stop its foreign activities (or if we made them do this), then all would be rosy. I hardly believe that this is what the authors intended.

I raise these points in the spirit of friendly criticism, with the hope that future MCLR efforts might be improved. The job and community-destroying strategies of U.S. Steel (and British Steel) must be exposed, but it needs to be done without recourse to narrow nationalism. The real problems continue to be capital's control over jobs and investment, conservative economic policies, and the weakness of credible alternative strategies and politics. An analysis of the Fairless deal which builds in these elements remains to be written!

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[Editors' Note: The cover of the pamphlet Phil Shapira refers to carries the following quotation from Abraham Lincoln: "All that serves labor serves the nation. All that harms labor is treason. No line can be drawn between the two. . . . There is no country without labor, and to fleece one is to rob the other."]

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