

District 7 News

# AGITATOR

Covering the United Steelworkers in Indiana and Illinois - MAY 2009 - #33

## On the march in Granite City



photo: Doug May

# Steelworkers, Hip-Hoppers and Tree-Huggers Get It On at 'Green Jobs 2009'

By Carl Davidson

When you walk into a Washington, DC hotel lobby and find thousands of people-half in labor union jackets, the other half dressed in 30-something hip-hop causal-you know something is up.

This was the scene this Feb 4-6 as nearly 3000 activists and organizers gathered for the "Good Jobs, Green Jobs" National Conference.

It's called the "blue-green alliance," and its core is the United Steelworkers and the Sierra Club, which jointly launched the "Green Jobs" movement in Pittsburgh a year ago.

The turnout this year was triple in size and highly energized by both the victory of President Barack Obama and the looming onset of

an economic crisis.

The building trades were also represented, and the green groups spanned a wide range of concerns, from toxics to alternative energy to climate change. Also notable was the participation of a contingent of "high road" corporations rooted in the growing "green economy." Gamesa, a major Spanish firm specializing in wind turbines, and Piper Jaffray, a large paper company focused on recycled paper products were there.

But a critical new dimension was added by Green For All, an organization rooted among inner city youth, and led by Van Jones the author of "The Green Collar Economy."

The conference started with 'Advocacy Day,' which deployed the participants to Capitol

Hill to lobby their respective Senators and Representatives. With remarkable serendipity, the Senate was deadlocked that same day over details of the Obama stimulus package, with the GOP trying to gut many of the Green Jobs components as "wasteful," while seeking tax cuts and bailouts for the rich. The voices and pressure from the conference activists come not have been timelier.

"A trickle has become a torrent," said Margie Alt from Environment America the next morning, comparing their present efforts with the organizing and direct action campaign of the civil rights movement. There are two paths in repowering America with clean energy, she explained. "One would have us chase short-term profits; the other has us moves toward new public transit and plug-in hybrid cars, built in the USA and powered by the sun and the wind. Only the second puts us back to work.

Alt warmed up the session for Richard Trumka, the AFL-CIO's Secretary-Treasurer. Trumka was a hero to millions in the Obama campaign for the no-nonsense way he took on the question of racism in rallying trade union organizers to win over white workers to vote for a Black candidate in the Appalachian areas.

"What a year!" Trumka proclaimed, referring not only to the election, but the Blue-Green Alliance's growth since Pittsburgh. "It's brought forward all the issues of race and class, and there's no going back. Good ideas and loud voices are desperately needed. In the mines, we were often told, jobs or the environment was the choice. But now we know the truth. It's not one or the other; it's both or neither. So get over it! This blue-green alliance isn't going away. We're in this together for the long haul."

Trumka had warm praise for Obama, but a sharp rebuke for the GOP Right. "All they can do is say, No!-No to fair trade, no to the Employee Free Choice Act, no to protecting the environment, no to domestic investment in new manufacturing. In the face of this, we have no guarantees; we'll get nothing here without a fight."

## Expo Booths at Green Jobs 2009

One topic discussed was the theme of the conference, "What is a Green Job?" and "What is a 'Good Job'?" The later was easily defined: a good job was a union job, a living wage with decent benefits. Green jobs were viewed from a number of angles. Trumka defined it as every job that contributes to a low-carbon future. Nuclear power and 'clean coal' efforts might come under that, but would be opposed by a good number in the coalition. There was



The Blue Green Alliance is a strategic partnership between four international Unions and two environmental organizations. It began in 2006 as a partnership between the United Steelworkers and the Sierra Club. Last fall CWA, SEIU, the Laborers International, and the National Resource Defense Council came on board as partners. The Blue Green Alliance is uniting more than six million people in pursuit of good jobs, a clean environment and a green economy.

## Blue-Green Indiana LABOR CLIMATE PROJECT

Blue-Green Indiana is a chapter of the national organization made up of the same partners plus Hoosier environmental groups such as Save the Dunes Council, and other state labor unions. Four other states have BGA's (Kansas, Minnesota, Ohio and Wisconsin).

### When did the Indiana BGA form?

The group announced itself at a press conference on March 22, USW Lobby Day. Then for the first time, USW members lobbied their representatives to support a state Renewable Energy Standard (RES) through legislation called "Green Jobs Act of 2009"

### Did the legislation pass?

A strong Green Jobs Bill designed to stimulate the manufacture of solar and wind components, as well as thousands of other good jobs in transportation, installation, etc.—was passed in the Indiana House, a first. Unfortunately, the bill died in conference committee and Indiana remains the only Midwest state without a renewable electricity standard.

The Labor Climate Project arm of the Blue Green Alliance educates local union members about the dangers of global warming and the solutions that will help both the environment and create good green sustainable union jobs.

Too many union members believe that the issues of the environment are at odds with issues of labor. In fact, the opposite is true. In this fight we have a common enemy and that is large corporations whose interest is their bottom line — often at the expense of environmental and labor standards here at home and abroad.

Labor unions have always fought for environmental safety for our members, in their worksites and communities. In this economic recession, now is the time to bring the message of global warming solutions and job creation to union members.

The Blue Green Alliance has developed an educational presentation for local unions. Contact Tom Conway at 219-738-9029.

no effort, moreover, to enforce unanimity on the point; debate and discussion would continue. There was wide agreement, however, on the Green jobs most in reach of unemployed youth: solar panel installations, 'winterizing' older housing stock to Green standards, urban agriculture plans, and expansion of mass transit.

The conference planners stressed the issue in a booklet distributed to all attendees, entitled "High Road or Low Road? Job Quality in the New Economy." Terence O'Sullivan, president of the Laborer's International Union, exposed the problem:

"We did a survey of every job currently being called 'Green' by employers, and found the majority of them didn't pay enough to support a family of two." There was no sustainability, he suggested, without the working class itself being sustained. Borrowing from Henry Ford, he said, "Every worker building a Green product should be able to afford a plug-in hybrid car. It's very possible to build green, pay union wages, and still make a profit. There's no caring for the Earth that doesn't also include caring for the people on it."

Labor, government and business could be partners, O'Sullivan explained further, so long as the focus was "good jobs, at a living wage and the prevailing wage." The dynamic union leader, whose union represents some 500,000 building trades workers, stressed that "low road businesses and policies must not be rewarded.... This fight isn't over; it's just started. The Republicans can't lead us anywhere; they couldn't find the supposed weapons of mass destruction in Iraq, and today they can't find even a trace of the first half of \$700 billion given to the banks on Wall Street." To tremendous applause, he concluded by saying "No retreat, no surrender!" and that a "workers revolution" had to be paired with the "green revolution."

A workshop on capital investment strategies, discussed Ontario's Algoma Steel, one of the largest worker-owned co-ops in North America, now thriving after a worker buyout assisted by venture capital and government funds. Fred Richmond, USW International Vice President, presented the example of his union's cooperation with Gamesa, a Spanish firm specializing in building wind turbines. One mill has been recently reopened in Eastern Pennsylvania, and another is underway in Western PA, creating 1000 new USW jobs.

James Hoffa of the Teamsters explained that the blue-green alliance started in the streets of Seattle in the massive street battles of "Teamsters and Turtles" on one side, and the World Trade Organization and the police on the other. "You learn who your friends are," he declared, "and you learn a few things in the process. We originally supported drilling in ANWAR. I'd like to

announce to you today that we no longer do."

Some of the most powerful presentations came on the last day. First up was Winona LaDuke, member of the Ojibwe (Chippewa) Tribe living in the White Earth Indian Reservation in Minnesota.

After greeting the crowd in her traditional language, LaDuke proclaimed with a smile, "I must admit it's a treat to come here from Minnesota to the home of the Great Black Father!" which brought down the house.

But she quickly turned serious, and the need to break with a petroleum-centered economy. "We can't build a society based on conquest. We are

The clean energy movement can't be stopped, and labor is the pillar of the whole pro-democracy movement we need." - Van Jones

addicted, and like addicts, we hang out with dealers and do bad stuff. Our people lived in a green economy on this continent for nearly 30,000 years, and knew how to live within their means." She also took aim at the nuclear industry, noting that two-thirds of uranium was mined on Indian lands, and all of the proposals of where to store hazardous nuclear waste were Indian lands as well. "In what was the largest uranium mine in New Mexico, they've now build three prisons. How's that for a future?" For a Green solution, she pointed out that Indian lands were also "the windiest and sunniest" places in the country, and welcomed wind turbines and solar collectors, "but we want local ownership and control" as part of the package.

Fred Richmond of the steelworkers spoke next. "Feel the spirit of our sister, Winona LaDuke! Feel her passion for this land, as opposed to those global corporations with no loyalty to anyone apart from themselves!"

Richmond went on to give a history of how the blue-green alliance started with the USW and the Sierra Club. "We both came to understand that we cannot get good jobs without a clean environment, and that we can't get a clean environment without good jobs. We both needed unconventional allies to fight the low road's worldwide race to the bottom." Speaking about decades of fathers and grandfathers killed and poisoned in the mills, he ended with "We need to take our planet back!"

Now it was time for Green For All, which fired everyone up with the Hip-Hop video, "Green Anthem 1," (available on YouTube) a powerful portrayal of the entry of multicultural youth into the mix of "unconventional" but very natural

allies. It brought Van Jones to the stage.

"We started this because we were tired of going to funerals," Jones began. "We were tired of police killing kids, and kids killing kids." These were rooted in the oppression of the inner city's joblessness and hopelessness, he explained and described initial work with the Ella Baker Center to fight for home repair and cleanup jobs, and called it "Green Jobs, Not Jails." Later the concept deepened into major structural reforms described in his book, "The Green Collar Economy."

"This is a profound movement that goes deeper than installing solar panels," Jones went on. This is showing the world a new America.... But no change can come in one day. We have to work every day. We have to change the economy, not just with green proposals, but with solidarity back in the center of it. We have to move democracy from the ballot box to the workplace. We are the human family coming back to itself. Think long and hard on this question: in the final hour, who are we? Who are we on this planet? Are we a swarm of locusts, devouring everything? Or are we honeybees, building together and adding to life?"

"This is our world historic moment, am I right, brother steelworkers?" Jones said gesturing to Richmond. "The clean energy movement can't be stopped, and labor is the pillar of the whole pro-democracy movement we need." To the Green For All youth, Jones added, "You are Ground Zero in this fight. To green the planet, we must green the city, and there's no greening the city without greening the ghetto. This is a movement that let's you rise!"

Jones was adamant on the need to organize and mobilize at the base, to go back to the union halls and neighborhoods, and speak to all those not yet involved. He was warmly supportive of Obama, and the need to back him up. "But there will be times to push him, and times to be a few steps in front on him."

The question of war and militarism was brought front and center by Rev. Lenox Yearwood who is president of the Hip-Hop Caucus and a minister. Formerly an Air Force officer and chaplain, he raised a ruckus when he delivered a sermon to the Joint Chiefs of Staff entitled, "Who Would Jesus Bomb?"

"'No War, No Warming!' is a slogan that has to link our struggles," said Yearwood. "This is our generation's lunch-counter moment. One hundred years from now, not of us in this room will be here; but we have to make sure the planet will still be inhabitable for our children and grandchildren. Organize everywhere, mobilize everyone, and lift up all! Power to the people!"

*Carl Davidson writes for "Beaver County Blue," a website anchored in Western Pennsylvania. He is also a member of the U.S. Solidarity Economy Network (<http://ussen.org>)*

# Local 1010 Hosts ArcelorMittal World Safety Day

**EAST CHICAGO IN:** Remarks by Tom Hargrove:

“As a member of the ArcelorMittal Global Health & Safety Group, I have seen first hand safety improvements around the world. I have also seen our shortcomings. Workers’ safety has no borders.

Last June, a global safety agreement setting minimum standards and joint safety committees around the World was signed by L. Mittal for ArcelorMittal and Leo Gerard for the United Steelworkers, the International Metalworkers Federation, European Metalworkers Federation, and the Brazilian union Central Única dos Trabalhadores (CUT) also signed.

The Global agreement is a very good document, but in most locations, the problem is getting it applied on the shop floor.

Our Joint Committee visits have taken us to Kazakhstan, Brazil and Mexico. In June we will visit Romania

So far this year, we have had 10 fatalities world wide. None in the USA.

We must do more each and every day in the USA, and around the World, to make our plants safer by removing hazards.”



USW L.U. 1010 Tom Hargrove

photos: Jim Spazoff



PHOTO LEFT: Laying a rose at the workers memorial in the 1010 hall is Jerry Scherwood, sister in law of Tony Parker who was killed in the mill in 2004.

## SOAR - Fighting For Health Care For All



A bus load of South Chicago SOAR members from Chapter 31-9 joined hundreds at a rally at St. Augustine College on Chicago's North Side in support of President Obama's health care reform plan on April 18th. The rally was called by Citizen's Action and Health Care for America Now. Many different unions participated along with the USW and SOAR.

Congresswoman Jan Schakowsky (D-Ill) was the main speaker. She noted that she is an original co-sponsor of HR-676 the single payer Medicare for All Act, but said that passing the Obama plan with a strong public option was a critical first step towards even greater health care reform like HR 676. Schakowsky called for unity of all fighting for health care reform. She also praised the labor movement for its leadership in the fight for comprehensive health care reform.

-by Scott Marshall

# Workers' Memorial Day Madison County IL



**ABOVE:** Workers' Memorial statue in silhouette in foreground at candlelight ceremony.  
**PHOTO RIGHT:** States Attorney Bill Mudge



PHOTO: GARY GAINES

**ALTON IL:** The Greater Madison County (IL) Federation of Labor held their annual Workers' Memorial Day observance at their monument in Gordon F. Moore Park in Alton, IL. Among those remembered was Steelworker Brother Jeff "J.T." Pace LU 3643 who was killed on the job at Alton Steel.

Madison County (IL) States Attorney Bill Mudge was the keynote speaker (photo lower right). His comments focused on the need for greater enforcement of health & safety regulations in the workplace - including criminal prosecution.

Several states have taken similar actions in recent years, placing employers and supervisors on trial for their roles in workplace accidents and deaths.

## Decatur IL Workers' Memorial Day



**PHOTO LEFT -** Trades & Labor President, Bill Franisco, Illinois Governor Pat Quinn in middle, Illinois AFL-CIO President Micheal Carrigan And Mayor of Decatur, IL.

**RIGHT -** Illinois Governor Pat Quinn



photos: Andy Clark



Denny Leazier USW L.U. 903 rallies the crowd on the importance of Buy American provisions in the stimulus bill.

# Steelworkers Rally Fort Wayne to "Buy American"

**FORT WAYNE IN - April 21, 2009** - The Fort Wayne City Council voted to "Buy American" with the Federal Stimulus funds coming to the area. Members of the United Steelworkers, the Alliance for American Manufacturing and allies had been working with the city council for 3 weeks in order to drive home the need for its constituents to see that the council supports working families in the area. USW Local 715L Rapid Response Coordinator Charlie Odier spoke at several council meetings on behalf of Northeast Indiana workers. Denny Leazier, president of USW Local 903 and President of the Fort Wayne Union Label and Service Trades Council also addressed the council. Additional representatives from USW Local 7-304, USW Local 715L, the Iron Workers Union, Laborers Union, and the Alliance for American Manufacturing also spoke with council members about the importance of domestic manufacturing. The resolution, R-09-04-08, introduced by council members Goldner and Hines encouraged the Fort Wayne Board of Works, the Fort Wayne Department of Purchasing and Mayor Tom Henry to use the money designated for Fort Wayne on American iron, steel and manufactured goods and services. Councilman Tom Didier explained that while

the city purchasing personnel is already diligent about buying domestic goods, a future change in personnel may bring a different set

council to act in a "concerted effort to encourage the purchase of locally and American made product" was unclear to her as she explained that: "I don't know what a concerted effort is or what buying a local product means".

A series of "Rebuild America" Rallies have been occurring at the Allen County Courthouse in Fort Wayne for months to reinforce the need for Fort Wayne city council to support area workers and to drive home the message to "Keep it Made in America".

photos: Rachel Bennett Steury

"I don't know what a concerted effort is or what buying a local product means." -

*Liz Brown, Republican at-Large who voted against the Buy American provision*

of priorities to the job. The only opposing vote was from Liz Brown, Republican at-Large serving her first term on the council. A section of the resolution, which called for the



Union members from UAW Local 2209, and USW Local 634L

# Georgia Pacific Wheatfield workers battle for two years to achive first contract

**VALPARASIO IN** - Union activists from across the region rallied outside a local hotel as Georgia Pacific workers met again with the company and a Federal Mediator to bargain a labor agreement.

The workers' perseverance paid off. At the end of two days of bargaining and mediation, the Company finally moved off of wage concessions. On April 29, after two years of bargaining, the workers ratified their first labor agreement, most seeing it as a small first step toward fairness and improved working conditions at GP. One day later, the National Labor Relations Board moved forward on the Union's charges and issued a complaint on behalf of Brian McIntosh and other illegally disciplined workers. As of this writing, the Board has also blocked any further action on a decertification petition filed by some workers at GP who were tired of the long fight for justice.

We salute the Georgia Pacific-Wheatfield workers for their steadfast support for their bargaining committee and their achievement of their first contract. Their story is a perfect example of why we need to change the law NOW. Nobody in America should have to go through what they did to get union representation and a labor agreement. We hope that by the next issue of this paper we will report that "Mac is Back" and that the new GP union has elected their first officers!

**PHOTO BELOW:** Tom Perez, a member of the bargaining committee.



photos: B. Carey



**Brian McIntosh**, (above) addresses the crowd outside the Georgia Pacific-Wheatfield/USW negotiations in Valpo on March 31. The NLRB has recently issued a complaint against the company for illegally firing McIntosh. About 100 people chanted "Bring Back Mac" and "Two Years,



Buril Smith L.U. 9231

Too Long!" and called for swift passage of the Employee Free Choice Act. A delegation of union and community activists then delivered a petition to Management, demanding an immediate settlement to the 2 year ordeal.

## Put an End to the Abuse of Workers' Rights We Experienced at Georgia Pacific- Wheatfield!

In 2007, Indiana Senator Evan Bayh was a co-sponsor of the Employee Free Choice Act. But now he is withholding support. Call Sen. Bayh and ask him to co-sponsor and support the Employee Free Choice Act

**Call Toll Free: 1-866-207-2060** Use your own words, but here is a sample phone message:

"Please co-sponsor and vote for the Employee Free Choice Act. In these perilous economic times, we must restore workers' freedom to bargain with their em-

ployers for secure jobs, health care and retirement benefits and fair pay. It's time to rebuild the middle class and help struggling working families." For more info: [www.EmployeeFreeChoiceAct.org](http://www.EmployeeFreeChoiceAct.org)

**Ask Evan Bayh why  
he's not supporting the  
Employee Free Choice  
Act**

## DeKalb County IN Public Officials Back Buy American



Left to right: Rachel Bennett Steury (AAM) John Jones (634L), Dave Kobiela (903), Butler Mayor Coburn, Auburn Mayor Yoder, Tom Emerick (9463), Deb Steury (634L), Charlie Odier (715L), Steve Kuffer (UAW 164) (not pictured is Mayor Wiant from Garrett, IN.

**AUBURN IN: March 26** - The Mayors of Butler, Garrett and Auburn Indiana signed USW Buy American Resolutions during a roundtable meeting. **John Jones** L.U. 634L, **Dave Kobiela** SOAR L.U. 903, **Charlie Odier** L.U. 715L and **Tom Emerick** L.U. 9463 took the lead on this event and really did a tremendous job of bringing reality to the mayors of DeKalb County. In attendance were folks from local union shops (USW, UAW) and non-union shops (New Millenium and Nucor). Also present were small business owners, laid off workers, those on short weeks and those about to lose their jobs; from factories to tech jobs.

All this good work paid off when on Tuesday May 5, the Garrett City Council voted

unanimously to pass the Buy America Resolution. The Garrett Council was the first in DeKalb Co. to adopt the resolution, with Auburn, Butler and the DeKalb County commissioners yet to vote. USW Local 903 Retiree, SOAR member and Garrett resident Dave Kobiela worked with the council to explain the reasoning behind the resolution. City Councilman Tom Blotkamp, a former International Harvester UAW member, also met with Mr. Kobiela and was instrumental in helping to educate his fellow council members, leading to their unanimous vote. Mr. Kobiela thanked the Council for their vote to support "...putting the taxpayer's money where it will do the most good for those you represent".

## District 7 hard at work on Buy American resolutions

Since the American Recovery and Reinvestment Act was passed in February, Local Union leaders, SOAR activists, Women of Steel and Rapid Response Coordinators, as well as representatives of the Alliance for American Manufacturing (AAM) have taken the "Buy American" resolutions ball and run with it.

We've run all over District 7 and convinced School Boards, City Councils, County Commissioners and Mayors to publicly commit to using Federal stimulus funds for American-made products in order to both save and create U.S. jobs.

In Indiana, "Buy America" resolutions have passed (usually unanimously) in: Auburn, Boonville, Butler, Dyer, Chesterton, East Chicago, Elkhart, Evansville, Fort Wayne, Garrett, Gary, Hammond, Highland, Howard County, Indianapolis, Jasper, Knox, Kokomo, LaPorte, Lafayette, Logansport, Lowell, Merrillville, Miami County, Michigan City, Mishawaka, Porter, Starke County, Tippecanoe County, Valparaiso & Winchester!

In Illinois, we had victories in: Alton, Cahokia, Fairmount, Granite City, Madison, Madison County, Madison and Pontoon Beach.

Our resolution passed the Indiana House in March and the Indiana Senate in April.

Congratulations to everyone. For more info see [makeourfuturework.org](http://makeourfuturework.org) or contact Robin at 219-881-6224

## Indiana Senate, H

by Rachel Bennett Steury

**INDIANAPOLIS, IN.** - The United Steelworkers (USW) applauded the Indiana Senate which pledged to "Buy American" by voting unanimously in favor of a resolution in support of American workers on April 24.

Introduced by Sen. Vi Simpson (Bloomington), with co-authors Sens. Dennis Kruse (DeKalb, Allen), and Randy Head (Cass, Fulton, Kosciusko, Miami, Pulaski and Wabash), Senate Resolution 37 made its way from the Tax and Fiscal Policy Committee to the Rules and Legislative Procedures Committee to its' final stage on the Senate floor.

USW members from around the state, along with field coordinators from the Alliance for American Manufacturing (AAM) have been working for Senate passage since its introduction on March 10th. The Indiana House introduced and passed its Buy American resolution on the very same day in March.

Multiple visits to the Statehouse, where hundreds of union workers called on their legislators to support the resolution, reinforced the need for Hoosiers to have their elected officials help working Indiana.

"We are pleased the Indiana Senate and the House join the growing number of states to support working families," says Jim Robinson, USW's District 7 Director. "It is important for American workers to know their legislators will use their collective power to demand American-made iron, steel and manufactured goods be used in a time when unfairly imported products have flooded our markets and have sent thousands of Steelworkers to the unemployment lines."

"Most Senators were very receptive to the personal stories of lay-offs and downsizing that their constituents described at the statehouse," says Rachel Bennett Steury, field coordinator for the AAM.

"It would be hard not to feel compelled to act when thousands of Indiana workers all have the same story and come to you for help. Senators Simpson, Kruse and Head made a dynamic bi-partisan team to move the resolution in the right direction."

The resolution, calls on the Senate to:

Maximize the creation of American jobs and restore economic growth and opportunity by spending economic recovery plan funds on products and services that both create jobs and help keep Americans employed.

Commit to purchasing only products and services that are made or performed in the United States of America whenever and wherever possible with any economic recovery monies

## Maryville IL is on board



Jeff Rains left receives the signed Buy American resolution from Larry Gullede, Mayor of Maryville.

Jeff Rains, field coordinator for AAM [Alliance for American Manufacturing] and Dennis Barker attended the Maryville, Illinois City Council meeting March 18th where they unanimously passed the USW Buy American Resolution.



# House Support Spending Stimulus Funds Domestically

provided by the American people.

Commit to publish any requests to waive these procurement priorities so as to give American workers and producers the opportunity to identify and provide the American products and services that will maximize the success of our nation's economic recovery program.

Indiana is slated to receive approximately \$4.3 billion dollars from the ARRA funding. At a time when the unemployment rate in the state has topped 10 percent, spending the funds domestically would put more Hoosiers back to work providing steel and iron and manufactured goods needed to rebuild the state.

According to the Bureau of Labor Statistics Indiana has lost 71,100 manufacturing jobs since March of last year. A recent University of Massachusetts study finds that infrastructure investment could create as many as 18,000 jobs for every \$1 billion invested.

The Indiana House passed a similar Buy American resolution (HR 0035) in March with unanimous support. Spearheaded by Speaker of the House Patrick Bauer (St. Joseph County), House Majority Leader Russ Stilwell (Warrick, Spencer, Perry and Dubois Counties), and Representative Charles Moseley (Porter County), passage of the resolution was met with cheers and applause from the over 400 Steelworkers who visited the statehouse that day in support of putting Americans back to work.

Recent polls by Pew and Harris Interactive show that more than 80 percent of Americans support "Buy American" provisions.

So far, more than 400 "Buy American" resolutions have been passed around the nation by cities, states, towns, boroughs, villages and



other local governments including Gary, Fort Wayne, Kokomo, Evansville and Indianapolis, Indiana. USW members have introduced more than 1,000 resolutions across the country and are working hard every day to ensure

U.S. tax dollars are kept at home to create good jobs at home.

For more information about "Buy American" and the USW's economic renewal campaign, visit [www.makeourfuturework.org](http://www.makeourfuturework.org).

Ten murdered, 105 injured for union representation at Republic Steel

## MEMORIAL DAY

May 30, 1937



Come join with Steelworkers as we celebrate the memory of the 10 brave men who died in the struggle for union representation.

In 1937, without a union, steel workers made \$.47 an hour for a twelve hour day, no vacation time, no insurance, no pensions. Today, unions offer a better life with fair wages, pensions, insurance, and vacation time. The Employee Free Choice Act makes union jobs more available to workers and leads to restoring our economy and raising our standard of living.

**CELEBRATE, ORGANIZE,  
AND REMEMBER:**

**WHEN:  
SATURDAY MAY 30, 2009  
2:00PM**

**WHERE:  
MEMORIAL HALL 117 &  
AVENUE "O", CHICAGO**

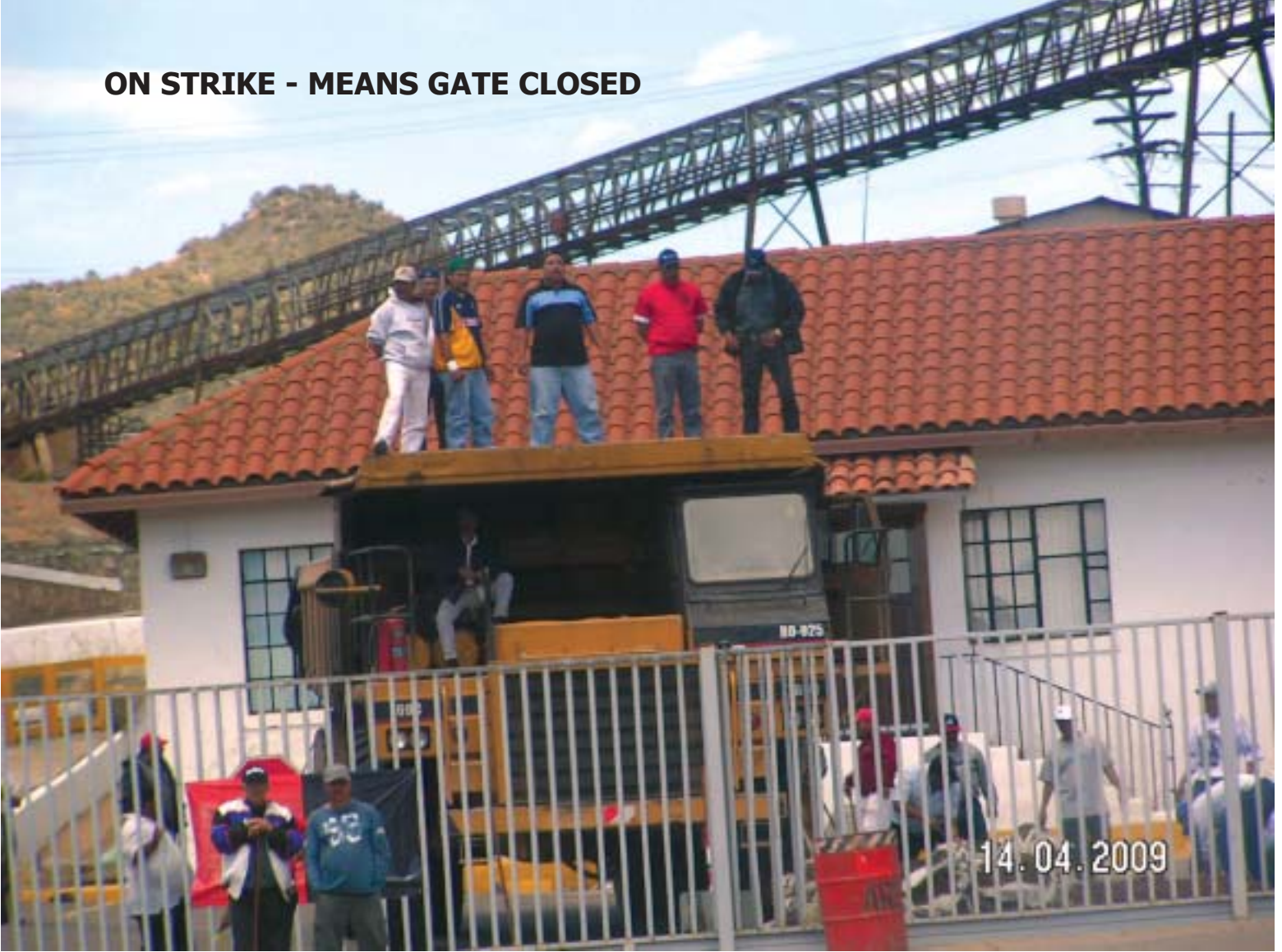
**SPONSOR: STEELWORKERS  
ORGANIZATION OF ACTIVE  
RETIREES**

Speakers, refreshments, music  
773-646-0800



LEFT: Mike Mitchell (AAM), Sens. Randy Head, and Vi Simpson who were authors of the resolution, and Chris Lovitt (AAM). Not pictured is Senator Dennis Kruse, the third author of the resolution.

**ON STRIKE - MEANS GATE CLOSED**



**March to the plant gates**

**Preparation for street blockade**



**The Red and Black flag is the symbol for on strike**



# Scenes from a strike

## Cananea Mexico

Los Mineros, the metalworkers union in Mexico has been on strike for 20 months against their employer, Grupo Mexico's attempt to destroy their union. District 7 has been active in support of brothers and sisters in Cananea. As evidenced by the photos, they are an organized and determined group. Thanks to Blanca Morales for keeping in contact with the Women's group in Cananea and passing on the photos.



**Mass picketting**



**Union meeting**



**Balloon release**



**District 7 solidarity visit - Lazaro Cardenas**



**Picket captains meeting**



# Put America Back to Work rally draws 5,000



photo: John Logan

**February 10, 2009:** Paper mache puppets of Barak Obama and Joe Biden joined 5000 steelworkers from Granite City IL during their Put America Back to Work March



photo: Doug May



The evil banker brigade continued their efforts to bury the middle class under six feet of credit default swaps. Returning to the role he owned on Broadway was Dennis Barker as "Wall Street", menacingly evil was Mike Fultz as "AIG" Toby Keller as Citi-Corp brought new meaning to the word Greed, Walt Winter as "Bank of America" prepped for the role by repossessing wheel chairs and Floyd Watson as Bear Stearns is not in the photo as he was arrested before the march trying to pickpocket an orphan.

**GRANITE CITY February 10, 2009** - Five thousand steelworkers thronged the streets of Granite City to bring attention to the crisis brewing on Main Street as Wall Street gets billions in bailouts. The workers directed their anger at the financiers who precipitated the current crisis by engaging in casino capitalism as the expense of the majority of working Americans..

To drive home the point, several steelworkers dressed as bankers in their black suits marked with the words "AIG" and "Bank of America" and carried a black coffin marked "American Middle Class."

Attending the march was Dan McDowell, a Granite City alderman and a member of the congregation at Third Street Baptist Church in Granite City. He said the church's food pantry has been busy since the layoffs.

"We're very hopeful," he said. "We have a president who I think recognizes how bad it really is, and being from Illinois, he could be the one to make a difference."

Dave Dowling, USW Sub 2 director said the turnout for the march exceeded organizers' expectations.

"We just knew there was a lot of enthusiasm

in the community," he said. "We feel very positive about the turnout and the message we think the turnout sent to Congress about the need to pass a stimulus bill immediately."

A partial list of sponsoring organizations of the "March To Put America Back To Work" included: United Autoworkers, Illinois AFL-CIO, Greater Madison County Federation of Labor,

Southwestern Illinois Central Labor Council, Ironworkers (East St. Louis), Quad City Ministerial Alliance, Chamber of Commerce of Southwest Madison County, Jobs with Justice, Egyptian Building Trades, United Congregations of Metro East, Steamfitters Local 439, Piasa Palisades Group of the Sierra Club, SIUE Raise Your Voice Student Organization, Illinois Federation of Teachers Local 743 and Steamfitters Local 268.



photos: John Logan, Robin Rich

Purdue Organization for Labor Equality celebrates university's cancellation of contract with anti union supplier

**WEST LAFAYETTE** - Purdue University announced its decision to terminate its licensing contract with Russell Athletic effective March 31 due to anti-union actions surrounding the closure of two factories in Honduras – a decision which has been urged by the Purdue Organization for Labor Equality (POLE) for several months. POLE commends the University for acknowledging these disturbing violations to Purdue's Code of Conduct for Licensees and taking action to resolve them. We will continue to support University actions which protect the rights of workers around the world to live and work with freedom and safety.

Since 2000 POLE has consistently organized around issues of labor equality and workers' rights through teach-ins, informational forums, co-hosted events with allies, media actions, rallies, and even a sit-in and 27-day hunger strike in 2006. This past Thursday represented the first time in over nine years that Purdue University has taken constructive action to uphold our Codes of Conduct For Licensees and protect the rights of the workers who produce our apparel.

Purdue joins ten other universities – including Cornell, Penn State, and Columbia Uni-

versity – in condemning Russell Athletic's systematic disregard for workers' rights. Russell has shown time and time again its refusal to respect these basic standards of human rights. Its actions have violated not only Purdue's Code of Conduct, but also Honduran and International law. POLE is demanding that Russell reopen the the Jerzees de Honduras factory with all terminated workers rehired at full capacity, provided back pay since their termination, and allowed to freely associate and establish a union without interference.



**Bar Association bestows Liberty Bell Award to Norma Gaines**

**MADISON COUNTY IL - May 1, 2009:** The Madison County Bar Association honored steelworker Norma Gaines for her lifelong activism in the community and organized labor. Norma serves as Co-Coordinator of the District 7 "Women of Steel". They adopted the Phoenix Crisis Center, a shelter for abused women and their children in Granite City. Yearly performances of Eve Ensler's stage production "The Vagina Monologues" under Norma's leadership, has raised nearly \$50,000 for the Crisis Center.



"The Liberty Bell Award is presented made annually to a non-lawyer who promotes better understanding of the rule of law, encourages greater respect for law and the courts, and stimulates a sense of civic responsibility. The Liberty Bell Award was established more than thirty years ago. Prior recipients include Senator Evelyn Bowles, Margarett Trushel (Director of Oasis Women's Center), and past IL AFL-CIO President Margaret Blackshere and other community leaders."

**LAFAYETTE IN:** - USW L.U. 115A and supporters gathered at Riehle Plaza before marching to and around the Tippecanoe County Courthouse in downtown Lafayette. **PHOTO RIGHT:** Wayne "Crash" Dale reminds the crowd that the official unemployment rate in Indiana is above 10 percent and the point of the Recovery bill is supposed to stimulate job and economic activity here so Buying American ought to be a no-brainer. **State Rep. Sheila Klinker** also addressed the crowd.



photos: Gerald Miser





**LOGANSPORT IN:** A group of steelworkers gather outside the local Walmart store to demonstrate that we as Americans need to try and buy American products whenever we can. Walmart is notorious for demanding that suppliers move their operations to China to take advantage of low wages and lax safety and environmental standards. Not in photo: At an earlier rally, State Senator Randy Head and Logansport Mayor Mike Fincher gave inspiring talks.



photos: Steve Hartoin

### Steelworker receives George Meany Award

**DECATUR, IL:** Dave Salogga, L.U. 7-838 shop steward, was presented the George Meany Award on February, 26, 2009, in a ceremony conducted at Decatur Trades and Labor Assembly's February meeting in Decatur.



The presentation was made by Amy Girardi, Resource Director for the Illinois AFL-CIO, who cited Mr. Salogga for over 8 years of volunteer leadership with the Lincoln Trails Boys Scout Council.

The award, a recognition approved by the national AFL-CIO Executive Council, gives organized labor an opportunity to recognize members for their service to youth, and also makes the public aware of the important role union members play in the community.

PHOTO BELOW: Standing next to USW local 3261 President Kevin Cooper and Bill Scales, Congressman Joe Donnelly address the sidewalk rally



# Steelworkers protest in



Steelworkers at US Steel's Granite City Works were outraged when they discovered that a new pipeline being made of steel used for this kind of pipe and ship it to Lone Star Steel in Texas to be made into pipe. The Granite City Works is shipping the pipe into the Port District facility in Granite City on rail cars and then onto trucks.



**GRANITE CITY IL:** The staging of a train load of imported steel pipe was too much for over 1500 steelworkers who used the occasion to point out the effects of our failed trade policies and to bring heat on the politicians in Washington to enforce the Buy American provisions of the recently passed stimulus bill.

A "Buy American" clause tucked in the nearly \$800 billion stimulus package President Barack Obama signed in February requires the use of U.S. iron, steel and other manufactured goods for public buildings and public works funded under the bill.

But the clause does not apply to private projects such as the 2,148-mile, \$5.2 billion Keystone Pipeline that, when completed by Alberta-based TransCanada and ConocoPhillips by the end of this year, will send Canadian tar sands crude oil from Calgary to southwestern Illinois.



photo: Dennis Barker



# ported steel in IL



photos: Doug May

built from Canada to IL was using pipe made in India. Members of Locals 50, 68 and 1899 make the same type white City and Texas facilities are completely shut down due to the economic crisis. To make matters worse, ks to take it to the work site. The Port District facility was created to help the local economy.

## Buy American Message Shouted From Kosciusko County Courthouse



**WARSAW IN:** One of the many “Rebuild America: Main Street Revolution” rallies was held at the Kosciusko County Courthouse, in Warsaw IN

The Steelworkers organized these rallies to support spending U.S. tax dollars on U.S. products; investing tax dollars in U.S. manufacturing and infrastructure jobs; developing incentives to create and retain U.S. jobs; and making it easier to unionize.

Members of the United Auto Workers and labor-affiliated group Jobs With Justice also participated in the rally.

photos: Charlie Averill

Thanks to writers and photographers of this edition of the AGITATOR : Gary Gaines, Robin Rich, Jim Spazoff, Ray Jackson, Blanca Morales, Dennis Barker, Doug May, Andy Clark, Steve Hartoin, Scott Marshall Rachel Bennett Steury, Norma Gaines, Charlie Averill and John Logan.



PHOTO: Doug May

Members of United Steel L.U. 1899 joined with others outside of U.S. Rep. John Shimkus' office in Collinsville pushing for the congressman to support health care reform. The demonstration was one of five "Out in Front" events spearheaded by the Health Care Justice Campaign.

## USW and Faith Leaders Call Upon Illinois Legislators to Get Out in Front For Health Care Justice

By Doug May - Editor USW L.U. 1899

**COLLINSVILLE IL:** Over 40 people from USW Locals 1899, 1063 and 4449 and members of our ally for social justice, United Congregations of Metro-East, UCM met in front of Congressman John Shimkus R-IL 19<sup>th</sup> District office to urge him to support making quality, affordable healthcare for all a priority.

Retired USW Local 50 John Heaton described his healthcare mess when after retiring, his wife developed breast cancer. His COBRA insurance, after the bankruptcy of his employer National Steel and the termination of his medical insurance, cost him over \$800 per month. The Steelworkers VEBA fund thankfully rescued him but countless others have the same circumstance.

Reverend Helen Stumpe, leader of UCM and Member of Central Christian Church, Granite City, pointed out the irony of political officials who speak of morality but think nothing of the moral injustice served to those who suffer without proper medical care.

"Healthcare for all is a moral imperative and we need to do it now" she said.

Mike Pedesky, President of United Congregations of Metro-East mentioned the "scandal on our nation" as millions of Americans have no healthcare.

Russ Saltgaver, USW Local 1899 President told Congressman Shimkus' assistant Steve Konasheski, "Those without healthcare that use the emergency room at hospitals for their medical care are sometimes sent home to die as the brother of one of our executive board members' experienced."

As part of the gathering, participants sounded a bell 18 times. Mike Bedesky, president of the United Congregations of Metro-East, said the number is significant.

"There are 1.8 million people in Illinois who are uninsured," he said. "There are also 18 people who die per week, because they don't have proper access to health care."

Lenroy Johnson, President of USW Local 1063 said, "Everytime I negotiate a contract

for our members healthcare is issue number one. As a result the wages and additional benefit negotiations are reduced. I am sick of this healthcare issue forgoing other contractual improvements for my members. We have members who are laid off making decisions between food or purchasing their family's prescription drugs."

After all these personal testimonials Bedesky asked Shimkus' Congressional staffer Steven Tomaszewski "Is Congressman Shimkus in favor of healthcare reform?" Tomaszewski provided a long pause but no answer. Bedesky again asked "Is he aware of the need for federal policies to assist the uninsured?" Tomaszewski said Shimkus has not come out in support but he is participating in dialogue as a member of the congressional health sub-committee. He does not support a one payer program but he wants a mechanism for portability and affordability.

### Campaigning for better health care in Peoria



James Perry, Gus Mason, Local Union President Mark York from USW 7-960 and Joyce Harant joined other supporters of the Campaign For Better Health Care in Peoria outside the Federal Building before heading inside to talk to Illinois Congressmen calling for health care reform.



Lto R: Randy Virgin LU 1899 Contract Coordinator and Mark Fischer LU 1899 - Taking the message to the Congressman's doorstep.

# The Spectacular, Sudden Crash of the Global Economy

By **Joshua Holland, AlterNet.**

In a period of months, the entire system of global capitalism has screeched to a halt.

The worldwide economic meltdown has sent the wheels spinning off the project of building a single, business-friendly global economy.

Worldwide, industrial production has ground to a halt. Goods are stacking up, but nobody's buying; the *Washington Post* reports that "the world is suddenly awash in almost everything: flat-panel televisions, bulldozers, Barbie dolls, strip malls, Burberry stores." A Hong Kong-based shipping broker told *The Telegraph* that his firm had "seen trade activity fall off a cliff. Asia-Europe is an unmitigated disaster." Global airfreight dropped by almost a quarter in December alone.

And while Americans have every reason to be terrified the *New York Times* noted that everything is relative:

In the fourth quarter of last year, the American economy shrank at a 3.8 percent annual rate, the worst such performance in a quarter-century. However in Japan the comparable figure is negative 12.7 percent, three times as bad.

Industrial production in the United States is falling at the fastest rate in three decades. But the 10 percent year-over-year plunge reported this week for January looks good in comparison to the declines in countries like Germany, off almost 13 percent in its most recently reported month, and South Korea, down about 21 percent.

Chinese manufacturing declined in each of the last five months; according to the *Financial Times*, "More than 20 [million] rural migrant workers in China have lost their jobs and returned to their home villages or towns as a result of the global economic crisis." The UN estimates that the downturn could claim 50 million jobs worldwide, prompting Dennis Blair, the US National Intelligence Director, to warn Congress that, "instability caused by the global economic crisis had become the biggest security threat facing the United States, outpacing terrorism."

Riots, strikes and other forms of civil unrest have become widespread the world over; governments have fallen. In Europe, parties of the far right and left have seen their fortunes rise.

The model of economic globalization that's dominated during the past 40 years is, if not

dead, at least in critical condition. Few progressives will mourn its demise — it was both a proximate cause of the economic meltdown in which we find ourselves today, and one of its victims. But if we are reaching the end of an era, questions arise about not only what will replace it, but also how we'll finance the government spending that most economists agree will be required to stave off a long, painful depression.

## Always a Flawed Model

For almost 40 years, smooth-talking snake-oil salesmen have pitched the wonders of a globalized economy. They insisted that the wealthy countries could shift labor-intensive production to the poorer countries at the edges, in search of a cheaper pair of hands and less nettlesome regulations, and that ordinary working people would benefit. Whatever pain Americans might feel as a result of the project was merely temporary displacement, they argued, and anyway those cheap

**The result was an explosion in international trade and a distinct increase in economic inequality in both poorer and richer countries.**

toys at Wal-Mart more than offset any problems that might come along with the decimation of Americas middle class. After all, a little lead never hurt anyone.

The same hucksters sold a similar bill of goods to the developing world. Build export economies and turn those peasants into factory line workers. Sign treaties forcing governments to let multinationals move goods and capital freely, keep their regulators out of the way of Big Business profits and prosperity will surely follow. Most governments adhered to this pro-corporate orthodoxy, slashing taxes on foreign companies and scrapping various controls on foreign investment. Largely unregulated free trade zones proliferated along the worlds significant shipping routes.

The result was an explosion in international trade and a distinct increase in economic inequality in both poorer and richer countries.

Among the wealthy countries, nowhere was this more true than in the United States, with its love of a mythic free market. After union-busting, global trade deals have done the most damage to workers bargaining power. Whereas companies used to negotiate with their employees in relatively good faith, those negotiations are now overshadowed by the threat to simply move the whole plant to Mexico or China.

**The result was an illusion of prosperity.** Corporate profits rose (in 2004, corporate profits took the largest share of national in-

come since they started tracking the data in 1929 and wages took the smallest), and high earners did very well too. When the oil shock hit in 1973, those in the top one percent of the income ladder took in just over 9 percent of the nations income; by 2006, they grabbed almost 23 percent. In the intervening years, their average incomes more than tripled

The rest of us didnt do as well. In 1973, the bottom 90 percent of the economic pile — most of us — shared two-thirds of the nations income; by 2006, we got half. If you take off the top ten percent of the income ladder, the rest of the country in 2006 earned, on average, 2 percent *less* than they did 30 plus years earlier, despite the fact that the economy as a whole had grown by 160 percent over that time.

## But how did we continue to buy with incomes stagnating?

First, women entered the workforce in huge numbers, transforming the typical single-breadwinner family into a two-earner household. (Between 1955 and 2002, the percentage of working-age women who had jobs outside the home almost doubled.)

After that, we started financing our lifestyles through debt. Consumer debt blossomed; trade deficits (which are ultimately financed by debt) exploded and

the government started running big budget deficits year in an year out. In the period after World War Two, while wages were rising along with the overall economy, Americans socked away over 10 percent of the nations income in savings. But in the 1980s, that began to decline — the savings rate fell from 11 percent in the 1960s and 70s, to 7 percent in the 1980s, and by 2005, it stood at just one percent (household savings that year were actually in negative territory).

After the collapse of the dot-com bubble and the recession that followed, the economic expansion of the Bush era was the first on record in which median incomes never got back to where they were before the crash. Fortunately for Wal-Mart shoppers, a massive housing bubble was rising. Americans started financing their consumption by taking chunks of equity out of their homes. The result: in 2005, long before the housing bubble crashed, the average amount of equity Americans had in their homes was already the lowest it had ever been.

Already deeply in the hole, when the markets crashed, consumers stopped spending, and that's fueled millions of layoffs, led to a mountain of foreclosures, and left state budgets decimated. The connection between decades of false prosperity, the piles of household debt that resulted, and the degree to which that left American families vulnerable to the bubbles crash is not difficult to see.

## Global Illusion of Prosperity

During the era of globalization," massive increases in trade created a similar illusion of

prosperity, masking a long-term decline in real economic growth worldwide.

Much of Asia has become a huge production platform for the West. Its been said, half-jokingly, that the modern global economy works something like this: the U.S. produces pieces of green paper, which it trades to China for the goods lining the shelves of Wal-Mart and Target, the Chinese trade those pieces of paper to the oil-producing states for energy, and the oil producers exchange them with Europe for Mercedes and *foie gras*.

Economist Robert Brenner described a “long downturn” in the world’s wealthiest countries, noting that their economies grew by a steady rate of 5 percent or more each year from the end of World War II through the 1960s, but in the 1970s their growth fell to 3.6 percent, and it has averaged around 3 percent since 1980.

But as the social scientist Walden Bello pointed out, even those anemic numbers are misleading. China’s 8-10% annual growth rate has probably been the principal stimulus of growth in the world economy in the last decade, he wrote. Without Chinas consistent growth rates, global economic expansion has been all but nonexistent.

China became an export engine by keeping wages down through repressive union-busting and by drawing on an almost endless supply of poor rural peasants to work its production lines.

While global trade flows have exploded, much of that trade has been between multinationals based in the advanced economies and their own offshore units. They ship production overseas, but the goods produced end up back in domestic markets; its a means of avoiding first-world wages, public interest regulations and environmental restrictions.

As Walden Bello wrote, with its reserve army of cheap labor unmatched by any country in the world, China became the workshop of the world, drawing in \$50 billion in foreign investment annually by the first half of this decade. To survive, firms all over the world, had no choice but to transfer their labor-intensive operations to China to take advantage of “the China price”, provoking a tremendous crisis in the advanced capitalist countries labor forces.

It was always an unsustainable model; the United States annual trade deficit with China — financed by debt — was \$6 billion in the mid-1980s, exploded to \$266 billion last year.

Defenders of the global trade regime have long argued that Chinas currency will rise in value against the dollar, the trade deficit will shrink, and there will be significant decoupling between the two economic powerhouses as a new generation of middle-class consumers in the East Asian countries begin demanding a greater share of all those manufactured goods.

On the surface, it appeared that at least the last part of that was indeed happening. As Bello noted, To satisfy China’s thirst for capital and

technology-intensive goods, Japanese exports shot up by a record 44%, or \$60 billion. Indeed, China became the main destination for Asia’s exports, accounting for 31% while Japan’s share dropped from 20% to 10%. China is now the overwhelming driver of export growth in Taiwan and the Philippines, and the majority buyer of products from Japan, South Korea, Malaysia, and Australia.

But Bello went on to describe that this “decoupling” was also an illusion:

Research by economists C.P. Chandrasekhar and Jayati Ghosh, underlined that China was indeed

**The so-called free trade agreements, were always less about trade than constraining the policy options of governments through treaty.**

importing intermediate goods and parts from Japan, Korea, and ASEAN, but only to put them together mainly for export as finished goods to the United States and Europe, not for its domestic market Thus, “if demand for Chinese exports from the United States and the EU slow down, as will be likely with a U.S. recession,” they asserted, “this will not only affect Chinese manufacturing production, but also Chinese demand for imports from these Asian developing countries.”

The collapse of Asia’s key market has banished all talk of decoupling. The image of decoupled locomotives one coming to a halt, the other chugging along on a separate track no longer applies, if it ever had. Rather, U.S.-East Asia economic relations today resemble a chain-gang linking not only China and the United States but a host of other satellite economies. They are all linked to debt-financed middle-class spending in the United States, which has collapsed.

We often hear that U.S. consumer spending accounts for 70 percent of the economic activity in the country. Do the math: with 20 percent of the worlds economic activity, U.S. consumers — most weighed down with stagnant wages and maxed-out credit — make up about 14 percent of the planets economic demand. Add the other affluent countries (which were also heavily invested in our real estate market and related securities), and its easy to see why the economic meltdown has grown to global proportions. The dominoes are tumbling.

#### Whats Next?

International trade existed long before “globalization”, and will continue after its demise. The so-called free trade agreements championed by liberals and conservatives alike were always less about trade than constraining the policy options of governments through treaty.

The one likely bright spot in all this is that the free trade economic orthodoxy lies in ruins. What will replace it is a question for the long-term.

The more immediate question is two-fold. First, in a global economic crisis such as the one were

experiencing today, where is the engine of rapid growth that might pull the worlds economy out of the doldrums? Recessions of recent years — in the early 1980s, the early 1990s and the early 2000s — werent global in nature; rapidly developing economies in Asia and Eastern Europe, and later the rise of the U.S. housing market, pulled the world out of the doldrums. Its difficult to see where that kind of growth might be found today.

And then there is the question of how long foreign investors will continue to run our tab. As Americans demand for just about everything has tanked, economists from across the political spectrum have called on the government to take up the slack. So we got a big stimulus package — probably the first in a series — which will be tacked onto a budget that was already deeply in the red. The hole is cavernous, and we have little choice to dig deeper. In 2008, the official deficit was around \$500 billion; the most optimistic projections are deficits averaging around \$1.35 trillion in both 2009 and 2010.

In 2006, economist Barry Bosworth testified before Congress that net foreign lending had been almost \$800 billion in the red — a negative 7.2 percent of national income. This degree of reliance on foreign financing is unprecedented, he explained, but has been achieved with relatively few strains because foreigners perceive the United States as offering safe and attractive investment opportunities.

Right now, foreign investors are still snapping up American debt. But how long will they continue to do so are crucial questions.

China, with the worlds largest foreign currency holdings — about 70 percent of which is in U.S. treasury bills — is still buying, at least for the moment.

But the Chinese are concerned about the stability of their investments. If the U.S. government needs to raise the interest rates on its securities to attract enough foreign investment to cover our shortfall, the value of those T-bills China and other central governments are holding will drop.

Last week, Secretary of State Hillary Clinton acknowledged that the world economy is anything but decoupled, all but begging the Chinese to continue to buy our debt. According to *Agence France Presse*, Clinton and Chinese Foreign Minister Yang Jiechi largely agreed to disagree on human rights, while she focused on the need for China to help finance the massive 787-billion-dollar US economic stimulus plan by continuing to buy US Treasuries.

In a moment of clarity — one that shone a light on the rot of the global economic system that has prevailed for the past 40 years, Clinton explained to the Chinese media, “We have to incur more debt . . . the US needs the investment in Treasury bonds to shore up its economy to continue to buy Chinese products.”

*Joshua Holland* is an editor and senior writer at *AlterNet*. <http://www.alternet.org/workplace/128412/?page=entire> -



**Veteran steel union activist and SOAR member Vic Storino leads the way out of Federal Plaza in Chicago**

photo: Ray Jackson

Hennepin Steelworkers from L.U. 7367 were joined at Federal Plaza in Chicago by ArcelorMittal workers from Locals 1010, 1011, 6787 and SOAR along with members of Locals 2154, 9777, and 5133 and others to protest Arcelor Mittals plan to close their mill and ship the equipment to France and Brazil.

# Let's Make Steel - *The Sequel*

**CHICAGO - April 30, 2009:** Busloads of steelworker families from Hennepin, IL traveled to downtown Chicago to give their boss ArcelorMittal Steel a simple message. "Run it or Sell it!" thundered the angry members of USW Local 7367 who were joined by union brothers and sisters from other Mittal mills, first at Federal Plaza and then, after a short march, at the offices of the steel giant at 1 East Dearborn.

ArcelorMittal shut the mill in December 2008, laying off almost 300 workers. Mittal management has indicated they have no intention to let anyone else re-open and run their highly profitable and productive facility as they make plans to ship the equipment out of the country..

In front of the Federal building, Kevin Coleman, the **Mayor of Hennepin**, where the steel mill is the main employer; **USW Vice President Fred Redmond, District Director Jim Robinson and Local 7367 leaders and activists** all gave rousing speeches vowing to fight Mittal's greedy refusal to sell.

**The Governor of Illinois, Patrick Quinn** joined the rally and voiced his support and determination to get the Company to respond to the viable bids being made for the mill. (The USW members from Indiana were in awe of a Governor who shows solidarity with working people!)

The Union then marched two blocks to ArcelorMittal headquarters (for which the tax-

payers of Illinois gave \$10 million in tax breaks for locating in Chicago)- shouting "Let's make steel!" as they did in 2001 out-



**Governor of Illinois, Patrick Quinn voiced his support to keep Hennepin open.**

side the LTV bankruptcy court when that company was trying to wreck the mill.

The Company got the message. Local 7367 President Dave York reported that on their way home he got a call from their Congressman's office. The Company had called Representative Schock to discuss the their side of the story, and his staff made it clear to the company that they support the workers in Hennepin and that they are aware of the situation in Lackawana NY (where ArcelorMittal promised they would be open to viable bidders and then backed off their commitment) and they don't want the same thing to happen at Hennepin.

The working families of Hennepin have been

through other bankruptcies and shutdowns and they are proud of their record in repeatedly saving the company- as well as helping to save the industry, and they will fight hard to get back to being productive, efficient makers of steel.

Rapid Response Coordinator **Joe Pakula**, Grievance Chair and Putnam County Commissioner **Duane Calbow**, Pres. **Dave York**, sign-maker **Kathy Bohm** and many other activists at Local 7367 worked hard to mobilize their forces and send a strong message through the April 30 action. The Local urges supporters to write to Sen. Dick Durbin [durbin.senate.gov](http://durbin.senate.gov) as well as **Vice President Joe Biden at the Middle Class Task Force** [astrongmiddleclass.gov](http://astrongmiddleclass.gov) and urge them to fight for the running or selling of Arcelor-Mittal at Hennepin.



**District 7 Director Jim Robinson(right) USW 7367 President Dave York.**

# Corporate America's counter-stimulus strategy - firms decide to shut profitable plants while spurning buyers

By Roger Bybee

"Is it too late? I hope not," said an exasperated Anthony Fortunato, president of the 260-member USW L.U. 2604 at the ArcelorMittal mill in Lackawanna, New York, as he and his co-workers watch the mill being systematically taken apart.

An eager buyer has been pressing the company—the world's largest steel firm—for at least two months to sell the mill and thus keep the profitable operation open and the jobs alive. Fortunato is hoping the buyer will remain interested despite ArcelorMittal's aggressive drive to gut the mill. ArcelorMittal is rushing to dismantle complex, custom-built ovens and other equipment that will take months to replace.

Day by day, the dismantling continues, reducing the value of the mill. "Our members are getting sick watching this happen," said Fortunato.

Arcelor's plans to close the Lackawanna mill are occurring against a backdrop of a widely supported effort by President Barack Obama to stimulate the nation's flat-lining economy with the \$787 billion "American Recovery and Reinvestment Act." But even as Obama is moving to counter the nation's economic free-fall, major corporations are moving in the opposite direction when it comes to maintaining employment and consumer demand. A recent survey showed 71% of CEOs expecting more layoffs in the coming six months.

Not only are they accelerating the pace of outsourcing to low-wage nations like China, but there have been several recent instances of corporations closing profitable plants in the United States and then refusing to sell them to other companies interested in keeping the plants open and retaining the current workforce.

## "These jobs aren't coming back"

The Lackawanna mill isn't ArcelorMittal's only closure. ArcelorMittal is also shutting down its Hennepin, IL mill, even though other firms have expressed strong interest in buying that mill, reports USW L.U. 7367 president David York.

At a moment when unemployment around Hennepin—about 100 miles west of Chicago—has hit 10%, ArcelorMittal is preparing to permanently lay off 285 USW members.

The plant has been consistently profitable,

earning \$48.4 million in 2008. Yet ArcelorMittal is intent on shipping one product line to Brazil and another to France. Moreover, ArcelorMittal has rebuffed a proposal by another major steel company to buy the Hennepin mill and keep it running.

The Hennepin workers have little prospect of finding jobs paying anywhere close to the

increase their profits by paying less than a dollar an hour. This was a case of a corporation taking a productive, profitable plant and closing it, refusing to sell it to anyone." The paper mill turned a profit of \$66 million in 2007, says Nirschl. Four firms showed interest in buying the plant, but Cerberus and NewPage remained uninterested, frankly admitting that they had no plan at all to market the plant to another buyer.

## From Manufacturing to Finance

While America's productive base suffers from under-investment or is lost to off-shoring to Mexico, China, and other low-wage countries, U.S. corporations have engaged in speculation, using supposedly more profitable paper assets such as mortgage-backed derivatives. "The only thing that has kept the economy going since Reagan is one sort of artificial bubble or another, because Corporate America has been destroying real production," declares UE Western Regional President Carl Rosen.

One stunning symptom of America's declining productive capacity: the contrast between the nature of the imports and exports clogging the mammoth West Coast port of Long Beach. On the import side, warehouses and parking lots around the port are filled with imported cars and electronic products from mainly China and Korea—an enormous backlog due to the current crisis in the world economy. On the export side,

the profound shift in the U.S. economy from production to finance is reflected in the leading U.S. export from Long Beach: recycled paper and cardboard.

At the same time that capital has flowed away from U.S. factories to low-wage sites abroad, it has also been increasingly channeled into the financial sector. This has occurred within major manufacturing corporations like General Motors and General Electric, which had been extracting a growing share of profits from their financing arms as investments have increasingly shifted away from production to finance.

Reflecting this shift, the U.S. financial sector produced \$313 billion in profits in 2003, compared with just \$119 billion for American manufacturing, as economist William K. Tabb has pointed out. Where the financial sector accounted for less than 2% of total domestic corporate profits in the mid-1950's, in 2007 it



\$70,000 their old jobs averaged, including overtime and productivity bonuses, says York.

And ArcelorMittal's strategy is not unique. Last fall, the Cerberus private equity group, through its NewPage subsidiary, shut down a highly profitable, technologically advanced paper mill in Kimberly, Wis. Cerberus is headed up by John Snow, former Treasury secretary under George W. Bush; Dan Quayle, former vice president under George H.W. Bush; and Richard Feinberg, who personally raked in \$330 million in compensation from Cerberus in 2007. USW Local 2-9 President Andy Nirschl speculates that Cerberus (the name is derived from the mythological dogs who guard the gates of Hades) essentially wanted to raise paper prices by reducing capacity, regardless of the human cost to 600 workers and their families.

"This wasn't like the usual scenario we've seen again and again," says Nirschl, "where a corporation move jobs to Mexico or China to in-

provided close to 40% of all domestic corporate profits.

Tabb aptly describes the seemingly “magical” process behind the expansion of the financial sector:

Money could be made solely out of money, without the intervention of actual production. The new secret was presumed to be leverage and risk management, which allowed the purchase of assets that promised higher returns even if they carried a higher risk.

This was both an economic and a political development, as the financial sector gained leverage over the rest of the economy, in effect gaining the power to dictate priorities to debtors, vulnerable corporations, and governments. As its power grew, it could demand greater deregulation, allowing it to grow still further and endangering the stability of the larger financial system.

Meanwhile, many major firms are adopting what can best be described as a “counter-stimulus” economic program, precisely following what Nirschl called “the usual scenario.” The New York Times reported on a massive wave of job offshoring and wholesale divesting of product lines.

“These jobs aren’t coming back,” John E. Silvia, chief economist at Wachovia in Charlotte, N.C., told the Times. “A lot of production either isn’t going to happen at all, or it’s going to happen somewhere other than the United States. There are going to be fewer stores, fewer factories, and fewer financial services operations. Firms are making strategic decisions that they don’t want to be in their businesses.”

### **Productive Base Goes out the Window**

Mark Meinster, a representative of the United Electrical Workers (UE) international, said that this latest round of job destruction is simply an intensification of trends visible in recent decades, but made all the more galling because of the wanton closing of profitable plants at a time when good jobs are increasingly scarce. “We see this every day,” said Meinster. For the past 20 years, there has been everything from out-and-out trickery to private equity firms transferring debt from a money-losing operation to a profitable plant, and then shutting down the plant and stripping its assets. “Meanwhile, our productive capacity completely goes out the window.”

Meinster helped to coordinate the December sit-down strike at Chicago’s Republic Windows and Doors. Workers there faced both an employer secretly moving equipment to a new non-union plant in Iowa and the Bank of America—which received \$20 billion in grants and \$118 billion in loan guarantees from the bank bailout—cutting off the firm’s line

of credit, which, in turn, deprived workers of vacation and severance pay.

With the plant already closed, the workers decided to take over the plant, thereby taking control of Republic’s valuable inventory and holding it hostage. The result: Bank of America re-opened the financial spigot, the workers were paid, an environmentally oriented firm bought the plant and will be rehiring the workers, and the sit-down achieved worldwide fame.

The Republic sit-down also inspired non-union workers, faced with a plant closing at the Colibri Group jewelry factory in East Providence, R.I., to stage a sit-in. The action resulted in 15 arrests while intensifying pressure on the firm’s owner, the Founders’ Group private-equity firm.

UE Western Regional President Carl Rosen, who played a leading role in backing the sit-down strike, noted that the action—both ille-

This would be unthinkable in a number of Western European democracies like Germany and Sweden that have long required that corporations provide a compelling rationale for shutdowns to regional government labor-market bodies.

gal and highly unusual in the United States—ignited enormous support, including from President Obama. “We made our message everybody’s message,” explained Rosen. “This economy is failing because workers cannot buy back what they are making. Corporations are being bailed out and workers are being sold out.”

### **Corporations claim “We’re willing to sell”**

As a Luxembourg-based firm owned by an Indian-born billionaire living in London, ArcelorMittal is clearly following the “take the money and run” model of Anglo-American capitalism. This system is far harsher than the Western European model in which employers’ incentives have been more influenced by social-democratic traditions and the ongoing strength of the labor movement.

In Lackawanna, ArcelorMittal’s foot-dragging on a potential sale could soon mean the loss of 260 jobs. “Until March 26, the company was not admitting that they even had heard of any interested buyers,” said USW Local 2604 president Fortunato. But the forceful intervention of Sen. Chuck Schumer (D-NY) finally produced a meeting between ArcelorMittal’s U.S. CEO Mike Ripey and one interested buyer.

“At this point, we don’t know the results of the negotiations,” Fortunato told Dollars &

Sense, the frustration and anxiety evident in his voice. The outcome of the negotiations may depend on whether ArcelorMittal’s decision to aggressively dismantle the steel operation has made purchasing the existing, hollowed-out plant and re-starting production far more difficult and costly than simply beginning production from scratch.

The involvement of members of the U.S. Congress at Lackawanna—as at Hennepin and Kimberly—has forced the corporations to claim that they were willing to sell the plants and retain jobs. But once the meetings were concluded, corporate interest in selling and saving the jobs of local workers rapidly melted away. For example, a Cerberus/NewPage official was asked recently whether the company had any plans in place to market the Kimberly plant. The response: “No.”

### **Cooperation: A One-Way Street**

Particularly frustrating for Local 2604 is the fact that the union made such extensive efforts to assist the corporation. It lobbied successfully for a two-thirds reduction in their electricity costs, lined up training grants, and supported reductions in sales and property-tax rates for the corporation. “We as a union have done a lot to help the company. They’ve tried to tell us we’re not competitive as a plant. If that’s the case, why not sell us?”

Rather than being grateful for the union’s efforts to lower its costs, ArcelorMittal instead changed its internal accounting procedures so that the Lackawanna plant actually booked a loss, by charging that plant more for shipping and supplies from other ArcelorMittal plants around the United States. In that way, ArcelorMittal aimed to evade New York’s higher corporate taxes, Fortunato suspects. Until ArcelorMittal made that shift in accounting, the plant had been consistently showing a profit of about \$6 million a month.

With annual wages typically running in the \$40,000-to-\$50,000 range, his members will have a hard time finding comparable-paying work. Fortunato believes the real unemployment rate in Lackawanna, near the similarly hard-hit industrial city of Buffalo, is about 25% to 30%. “Our guys will have to work two or three jobs to make what they earn here,” he said.

The steelworkers in Illinois also complain of the corporation’s indifference to commitments by the public to subsidize ArcelorMittal. ArcelorMittal’s decision to locate its U.S. headquarters in Chicago unleashed a flow of incentives, including \$2 million in assistance for furnishing corporate offices.

At Hennepin, the union’s current contract commits ArcelorMittal to keeping the plant open

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through the agreement and maintaining its viability through adequate investment. The union has taken the case to arbitration.

### Corporate Royalty Ignores Workers' Years of Loyalty

Corporations are often accused of having an imperious, Marie Antoinette-style attitude toward their workers, unaware and uncaring about their daily struggles to provide for their families.

Marie Antoinette, wife of Louis XVI, was informed that the poor of Paris were too poor to afford bread. Her supposedly infamous response: "Let them eat cake." She was later beheaded in 1793 during the French Revolution.

### The Execution of Marie Antoinette

But in the case of ArcelorMittal, which is preparing to shut down steel mills in Hennepin, Ill. and Lackawanna, N.Y., the comparison to Marie Antoinette may not be much of an exaggeration. The workers and local communities have been bewildered by the corporation's commitment to closing the profitable mills despite offers from other firms that wanted to keep them open.

Meanwhile, corporate CEO Lakshmi Mittal lives in near-royal grandeur in London in a \$125 million home right next to the posh Kensington Palace. The swimming pool is inlaid with jewels, and the estate includes a 20-car garage. Lakshmi Mittal has a personal fortune estimated at \$25 billion.

For the wedding of his daughter Vanisha, who is also a member of the corporation's board of directors, Mittal shelled out \$55 million. If you're wondering how even the super-rich could manage to spend such a sum on a wedding, it might help to know that the five-day celebration was capped by a party—at Versailles.

That's right—Versailles, the magnificent and legendary palace that King Louis XVI gave to his 19-year-old bride, Marie Antoinette, as a wedding present. Plus ça change...

### What Benefits? What Retraining?

As major corporations continue to undermine the impact of Obama's stimulus efforts by slashing jobs, the conventional wisdom among leading economists and elected officials in both parties is that worker retraining is the best public-policy response.

But this approach, while conveniently allowing elected officials to sidestep an uncomfortable confrontation with corporations' unilateral control over the fate of workers and communities, has little empirical support as a successful strategy for "adapting" to deindustrialization and the offshoring of jobs. As the supply of family-supporting jobs is reduced, workers are essentially losing at a game of musical chairs in which good jobs are disappearing and not being replaced.

When displaced workers successfully complete retraining programs, they are generally unable to find jobs comparable in pay and benefits to the ones they lost.

"Out of a hundred laid-off workers," says New York Times economics writer Louis Uchitelle says, "27 are making their old salary again, or more, and 73 are making less, or not working at all." But even if retraining were an effective strategy, the very politicians who tout it as a solution have been unwilling to fund training in a serious way. Funding for training has plummeted from \$20 billion in 1979 to just \$6 billion last year (in constant dollars), according to one expert cited by the Times. These cutbacks in funding would seem to indicate that leading politicians, especially in the Bush era, were never quite sincere in their willingness to match their proclaimed faith in the power of retraining with an equivalent level of funding.

Further, the traditional unemployment-compensation safety net has been shredded over the past four decades, reaching a much smaller percentage of workers than in past, less severe recessions. During the 1975 recession, unemployment compensation reached 75% of the jobless and thus was a significant factor in restoring consumer demand. But thanks to radical cuts in unemployment compensation eligibility rammed through by the Reagan administration, only 45% of the unemployed received any benefits during the much more severe recession of 1982-83. The National Association of Manufacturers was delighted with the cutbacks in eligibility, crowing that under the old rules, "there was no incentive to go back to work under that program."

By 2003, the number of unemployed workers eligible for benefits had fallen further from the 1982 level of 45% down to just 41%, according to the Ohio-based group Public Policy Matters. While Obama's American Recovery and Reinvestment Act may begin to reverse some cutbacks in eligibility, it remains to be seen how widely these changes will positively affect the fates of the jobless.

### Needless Job Losses

The toll of unemployment extends far beyond a drop in family income, access to health care, and a loss of self-esteem for the displaced worker. Peter Dreier, a political scientist at Occidental College, recently released a study showing that each 1% increase in the national U.S. unemployment rate produces an additional 47,000 deaths, with 26,000 of the fatalities cardiac-related, 1,200 due to suicides, and 831 due to homicides.

Given these grim realities about passively accepting the consequences of deindustrialization, coupled with growing resentment about the greed and malfeasance of Wall Street, the egregious damage to workers and communities imposed by firms like Cerberus and ArcelorMittal

may raise corporate investment decisions to a high-profile political issue. Corporations are closing profitable, productive plants in the midst of a severe economic crisis, and then capriciously refusing to seriously consider selling the plants to keep them open.

This would be unthinkable in a number of Western European democracies like Germany and Sweden that have long required that corporations provide a compelling rationale for shutdowns to regional government labor-market bodies. Most other Western European nations offer workers and communities some degree of protection from the effects of shutdowns, although not as extensively as in Germany or Sweden, nor with the same degree of worker and community participation in decisions about the company's plans.

In the United States, the increasingly destructive impact of arbitrary corporate decisions to close plants amidst a severe economic crisis may finally unleash public demands to place corporations' conduct under democratic constraints.

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