SOLIDARITY LOST: THE DEINDUSTRIALIZATION OF PITTSBURGH IN THE 1980’S

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Introduction

It used to be that the streetlights were turned on in the middle of the day so folks could see through the thick smoke that the steel mills coughed up. The women would sweep the dark soot off their porches while the men marched off to work, as was customary in the Mon Valley. At the confluence of the Monongahela, Ohio, and Allegheny rivers, life in late 19th and early 20th century Pittsburgh revolved around steel production. Established by titans like Carnegie and Mellon, Pittsburgh industry provided, for those working in the mills, a rigorous but secure way of life, a system that “gave rise to a burgeoning, powerful middle class, and more than that, a sense that all of America shared in the economic boom, with the assembly line tethering us like an anchor to shared prosperity.”¹ One generation after the next toiled away in front of glowing Bessemer furnaces, churning molten pig iron out into the steel that helped build America.

Around the turn of the century steel unions struggled to establish a footing, suffering great losses such as the infamous 1892 Homestead Strike. During the 30’s and 40’s, aided by the wartime industrial boom, the unions began to gain power over management, winning higher wages and better conditions for themselves and their heirs. By the 1950s union power had climaxed, but in a few short decades workers in the greater Pittsburgh area were out of work and out of luck. In the 1980s the Mon Valley was deindustrializing. Workers were used to temporary layoffs, but by the middle of the decade tens of thousands of steel jobs were gone for good.²

The local and global forces shaping Pittsburgh’s deindustrialization were varied. For a wide array of social, political, and economic reasons, steel mills in the Mon Valley were no


² Bergstrand
longer competitive or efficient. The demise of the Pittsburgh steel industry in the 1980s can be understood in the context of how government, public, and private players interacted. All of the said entities failed to align their policies to develop a comprehensive, cooperative economic plan that would financially enrich failing mills and ultimately preserve the Pittsburgh steel industry. Solidarity among all members of society, crucial to steel’s continuing presence, could not be achieved.

Private businesses with their roots in Gilded Age capitalism were accustomed to making their own decisions in the absence of tight government control or public accountability. For the United States Steel Corporation, known for a while as USS, the bottom line in business was profitability. During the 80s global competition finally caught up to the world’s first billion dollar company, rendering it less efficient and profitable than in earlier decades. Faced with the decision to make costly modernizations and change the essence of steel management or to disinvest in steel in favor of the most highly profitable industries, CEO David Roderick opted for the fastest route to the highest investor returns: diversification. Midway through the decade the company changed its name to USX, symbolizing its variable nature. Elsewhere in the private sector companies either recognized the need to adapt to an increasingly globalized world or failed accordingly. In many cases, their cooperation with government and public entities was non-existent and can account for steel’s disappearance in Pittsburgh.³

Leaving a floundering legacy itself, the Jimmy Carter Administration that ushered in the decade struggled with international challenges, namely Cold War politics that rendered it unwilling and unable to impose the kinds of import barriers for which the American steel titans

clamored. When Reaganomics swept the nation a couple years later, the invisible hand was left to guide the economy, resulting in stagflation, high unemployment, and a private sector free to act according to its own will, rather than in the communities’ best interests. While Reagan did make concessions to the domestic steel industry, promising a reduction in the foreign import share of the United States’ market, the President was not one for interfering in private businesses affairs, nor did he particularly care for unions. While local governments proved more receptive to public attempts to salvage plants in the Mon Valley, most support proved to be purely rhetorical, especially when mammoth corporations like USS possessed greater wealth and power than most municipalities. This proved especially true when small mill towns were faced with enormous revenue losses when steel companies left the region.4

Finally, public organizations and entities such as the United Steel Workers union (USW), the Tri-State Conference on Steel, the Denominational Ministry Strategy (DMS), and others were left to fend for themselves where private companies focused exclusively on earning the highest yields for shareholders and the governments failed to provide economic relief for such companies and subsequently their employees. While public organizations succeeded in conceiving of various methods to preserve the Mon Valley steel industry, they generally lacked the capital and therefore power to reverse the economic and political forces taking away jobs and destroying communities.5

Existing scholarship on deindustrialization tends to emphasize the culpability of lax or neglectful government policy and private corporations favoring disinvestment to modernization and adaptation. Jack Metzgar, the son of a Mon Valley steelworker and union leader, defends the steel union as having “got[ten] just about everything out of the steel industry that it could”

4 Hoerr
5 Hoerr
but was not to blame for its decline.\textsuperscript{6} He refutes the ideas promulgated by a “shame-and-blame” society that American workers were unproductive and that unions by their own greed ruined the steel industry.\textsuperscript{7} In fact, American steelworkers did better than expected with outdated technologies, and even when foreign steel companies surpassed the United States in efficiency, America still dwarfed their fledgling industries. Unions often receive blame for their high labor cost, but Metzgar highlights studies showing a positive effect of union presence on industry productivity. While labor in the United States was extremely expensive, and Metzgar points out an imbalance by the 1970s of labor costs to companies and the actual domestic demand for steel, he claims that any union concessions or attempts at more cost-effective employee-ownership of mills would have been purely reactionary and would have been insufficient to save the industry. While unions and management might have taken steps to reconcile differences, an absence of government planning was the only way to prevent what ultimately killed American steel, which was disinvestment.\textsuperscript{8}

Another preeminent authority on deindustrialization, Judith Stein, attributes steel’s decline to government neglect. Jimmy Carter’s chief, if not only, economic policy concern was reducing inflation. Industry heads lobbied the congressional steel caucus but Stein attributes the federal government’s early 80s failure to bolster American industry to the rift between democrats attempting to reconcile foreign policies with domestic industrial planning. It was crucial for the United States not to alienate European allies at a time when it was fighting and economic war with the Soviets and Iranians. When Reagan took over American policy shifted to allow private corporations to control their own industries. This freedom from a “[t]ax policy [that] was the


\textsuperscript{7} Metzgar 119

\textsuperscript{8} Metzgar 120-37
primary lever the nation possessed to induce private businesses to produce socially desirable goods” strengthened private capital while weakening labor.9 Steel titans were free to disinvest. Meanwhile, Stein stresses the fragility of global political conditions and the earnestness of United Steelworkers’ President Lynn Williams, whose “strategic and tactical virtuosity that got the union through the most difficult period in its history” was tragically insufficient to prevent steel’s flight from the Mon Valley.10

Economics scholars Barry Bluestone and Bennett Harrison note that deindustrialization could be understood through capital flight’s various manifestations, such as disinvestment or the physical transferal of machinery. Steel companies were not modernizing at the rates necessary to keep steel viable, instead focusing on “unproductive speculation, merges and acquisitions, and foreign investment.”11 While the government might have assisted corporations to ensure that capital flight was efficient and responsible, most efforts only impeded disinvestment, hurting all parties involved. Post-war economic conditions raised steel’s production to unsustainable levels, so companies often took the easy way out and shut down plants.12

Pittsburgh society’s leadership as a whole failed to reconcile governmental, private, and public interests and methodologies, which together could have established a strategic plan for preserving the lifeblood of the Mon Valley. The various entities, each with their own essential role in the policymaking process, proved unable to mobilize capital and support to adapt

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10 Stein 285


12 Bluestone & Harrison 6-8
Pittsburgh steel to current market conditions to make it competitive for essentially the first time in history. Instead, the steel industry went up in smoke.
Chapter 1

The Private Corporations

For the United States Steel Corporation, there was a fine art to their business. An executive in the company’s real estate division, Tony Rychalski, found himself “fascinated” by used steelmaking equipment, worn, obsolete and destined for destruction. Wondering what one could “do with steelmaking relics that are headed for the scrap heap,” Rychalski found inspiration in the bizarre looking bits of old steel molds, and painted them with bright colors. The artifacts became sculptures and were displayed at mall tycoon Edward DeBartolo’s Century III shopping center in a suburb south of Pittsburgh. Such was the reverence of USS executives for the steel industry, whose factories were so carefully preserved in a manner that would contribute to the cultural vitality of Mon Valley communities.

United States Steel was the driving force behind the Mon Valley economy for decades. Decisions made in the private sector, therefore, had a profound impact on life for Pittsburghers, so the industry’s philosophies and strategies were central to its demise. Immediately following World War II the United States was the world’s leader in steel production, helping rebuild the globe’s destroyed economies. By the 1980s, however, American steel faced an array of challenges presented by global competition and a decrease in domestic consumption in a depressed and inflated economy. Economists’ forecasts varied, with some optimistic that, along with David Roderick’s ascension to CEO in April 1979, USS would turn over a new leaf, leaving behind a slew of internal problems, such as poor management, poor product quality, and poor customer service. At the same time, the company planned to diversify its assets and abandon inefficient steel plants, soliciting praise from those waiting for USS to return to profitability.

while earning the scorn of investors focused on steel who called the company an “average” producer and who noted that the company’s profits were derived solely from its non-steel divisions. Those mills that did remain open and had plans for modernization were not located in the Mon Valley.  

There was a great deal of investigation, conducted largely by public entities within Mon Valley communities, as to the feasibility of retaining the region’s steel industry. In one instance of community mobilization against private economic forces, steelworkers and their neighbors from the Duquesne Works rallied to save the Dorothy Six blast furnace, which not long prior to its permanent closure employed around 8,000 people. As late as 1984 Dorothy earned US Steel’s Iron Master Award for setting a new record in production, a testament to its mechanical and labor efficiency. Studies assessed that the furnace’s hot end was salvageable, and workers denounced David Roderick’s “haste to demolish a blast furnace as productive as Dorothy.” US Steel’s CEO, nevertheless, declared that an acceptable rate of profitability in order for the Mon Valley to retain its steel industry was between 18% and 20%, while most plants had been operating around 8.5% for the past couple decades. 

In a report drawn by Locker/Abrecht Associates of New York for USW, the firm doubted the feasibility of salvaging the deteriorating blast and open hearth furnaces, but noted that antiquated semi-finished steel production methods were creating a capacity shortage in the United States. The installation of the coveted continuous caster was estimated to be a reachable $150 million, which would allow the Duquesne Works to convert their ingot operations to semi-

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16 Morse175-6
finished steel such as slab, bloom, and billet. While the plant’s present efficiency was certainly scrutinized, Locker/Abrecht declared that Duquesne could indeed be competitive, provided costs were cut, and as an important caveat, not from wage cuts. Indeed, they considered USS’s workforce to be a major asset rather than a hindrance, noting that wage-related costs were not the major obstacle preventing American mills from attaining global competitiveness. The firm highlighted the need of other domestic steelmakers for semi-finished products, and theorized that if US Steel would take the vital step in modernizing Duquesne, that plant could purchase its coke from USS company mines and unfinished steel from other units, transported via USS railroads. The study placed Duquesne at the heart of a potential operation in which USS could salvage the rest of Mon Valley steel relying strictly on private forces.\footnote{Locker/Abrecht Associates, Inc., “Feasibility Study of the Duquesne Works’ Blast and Basic Oxygen Furnaces For United Steelworkers of America AFL-CIO-CLC” (New York: January 28, 1985), 1-4}

Duquesne’s hot end furnace was indispensable if steel were to survive in the Mon Valley. By 1984 mini-mills had assumed 17% of the domestic steel market, with foreign imports at 30%. In the face of such statistics, USS shut down the Works bit by bit, leaving a few furnaces sitting untouched in case opportunity were to present itself later. In 1985 it was apparent that USS planned to shut down all its Mon Valley facilities, with the exception of the Edgar Thomson plant in Braddock, Pennsylvania. Even so, USS had plans to equip several steel mills outside of the state with continuous casters, leaving Edgar Thomson “marginal at best.”\footnote{Locker/Abrecht 5}

David Roderick seemed to be straddling the fence when it came to the Braddock facilities. Following Edgar Thomson’s closure in September 1981 immediately after the union had made concessions to the industry, the company decided to reopen the blast furnace in 1983, recalling a very modest 300 workers. Edgar Thomson’s purpose was making iron, an unfinished
steel product, which was a possible indication that further operations would reopen in the future. Other steel companies in the region were making similar limited comebacks, reflecting an industry-wide resurgence, albeit a small and temporary one. Nevertheless, if US Steel had no intention of experimenting with prospects for steel profitability it would certainly not waste its time with the aging Braddock mill.¹⁹

Throughout the decade the industry endured frequent ups and downs. Apparent gains returned laid-off workers to their jobs but painted an inaccurate picture of the true state of steel in the Mon Valley. Overall production was down, and for the greater part of the 80s the industry was topping at 50% of its operational capacity. It reached its high point in 1982 with 60%.²⁰ David Roderick declared in 1983 that he could envision a future for American steel and aspired to keep people employed, exclaiming that a company who deserted steel for some high technology or service industry was “either a fool or an idiot.” Asserting his desire that USS retain its steel making heritage, the company head proclaimed that, “[t]o allow by neglect our basic industries to lose their competitiveness and fade away would imply that we could survive as a nation relying on microchips and fast food outlets.” ²¹

The United States Steel Corporation would need much more than Roderick’s apparent will to keep steel factories churning out profitable products. Other studies pointed to a very high and underutilized production capacity using obsolete technology coupled with a slow market as key problems for steel. While acknowledging that deindustrialization is not solely a problem in the United States, other nations’ governments took on a far more proactive role in economic


²¹ “Roderick is Against Quitting Basic Industry,” *The Daily News* (McKeesport, PA), March 8, 1983.
planning. It was easy to see how USS management would not necessarily want to invest in steel; by 1986 oil and natural gas business made up more than half of the company’s income. Compared with other countries, United States plants had the highest labor costs, especially considering the ever-growing pension demand, which was beginning to exceed companies’ abilities to pay. The world’s steel mills were growing ever-more efficient with time, and with a global decrease in demand, the simple projection was that hard times were ahead for all. For Pittsburgh, “[no] significant recovery c[ould] be expected.”

An economics professor at Boston College and leading scholar on deindustrialization, Barry Bluestone lamented massive unemployment and business closing across all sectors of the American economy in the 1980s, concluding that sometimes businesses do well, but well is not good enough in a globalized economy in which “America’s hegemony in the world market ended.” Other industrialized nations, such as Japan and those in Western Europe had rebuilt themselves by the 70s, and other countries like South Korea and Mexico were beginning to compete in the global market. Bluestone blamed the Marshall Plan for helping other economies grow at the expense of American industry. By the mid-80s, the top Japanese imports to the United States included automobiles, iron, steel, truck and tractor chassis, radios, and motorcycles. In contrast, the United States was sending over soybeans, corn, cotton, wheat, and logs, demonstrating a radical trade imbalance and underscoring problems in the American steel industry.


24 Bluestone 27
Management was unhappy about declining profits, so most turned to cutting costs. Because globalization accompanied rapid transportation and telecommunications developments, companies were able to move people, goods, and capital around very quickly. Plants could be very easily shut down and operations moved elsewhere, frequently overseas despite “respectable profits” at the old location. This facility of motion, combined with international competition, caused, according to Bluestone, “the more serious problem […] that the capital runs away from whatever it happens to be doing to any other damn thing that will yield a higher rate of profit, whether or not it’s socially useful, regardless of its effect on human beings.” Companies would move or find something different to do, a universal truth regarding capital.

In turn, American steel could wield more power over its unions, as they could threaten plant closures and turn workers against each other, undermining crucial solidarity. With “unprecedented flexibility to produce and assemble parts anywhere in the world,” management could easily hold such power over unions’ heads in exchange for wage and benefit concessions, rather than focusing on the intricacies of industry rendering it uncompetitive. Private corporations were also more powerful than municipalities, offering capital through property taxes and utility bills and creating jobs for communities. It was therefore difficult for government and public entities to deal with the tricky issue of pointing out immorality and greed on behalf of private companies, so instead they blamed the subsequent woes of plant closures on imports. Ironically, the Federal Trade Commission and the Office of Technology Assessment declared that, depending on the precise methods used to measure profitability, the American steel

25 Bluestone 29-35
26 Bluestone 44
27 Bluestone 46
industry was “either the most profitable national steel industry in the world or tied with the Japanese.” Nevertheless, steel was simply not as good as “oil or downtown real estate or chemicals.”

An assessment of the Mon Valley’s steel vitality would be incomplete without considering happenings elsewhere in American heavy industry. Steel’s fate in the 80s was tied to automobile production in Detroit, and the 70s finished off terribly for cars. Automotive manufacturing comprised a little over one-fifth of business for the steel industry in America in 1978, and dropped 6% into 1979. Into the 80s the slump continued and worsened, accompanied by a declining housing market and the subsequent demand for appliances. It was a grim picture for industries across the board. In the first quarter of 1982 the nation’s top eight steel companies did succeed in producing profit but that income was the result of tubing used in the oil and gas industries. That growth was unlikely to spill into the following quarters as drilling was on the decline and the industry had produced a surplus of tubes. Companies focused primarily on steel, such as Bethlehem and Wheeling-Pittsburgh were losing money, as tubes were one of the few profitable products. US Steel, on the other hand, saw the situation as one in which a highly diverse profit base shifting away from steel could only benefit their company.

Projections for steel were not always comprehensive and could prove misleading. A study by Hatch Associates Consultants of Buffalo claimed in 1988 that, as Mon Valley steel already had at least one foot in the grave, the industry was yet viable for Pittsburgh, but the

28 Bluestone 37
29 Bluestone 44
31 Jennifer Lin, “Steel’s red ink likely to spill even wider,” Pittsburgh Post-Gazette, April 30, 1982.
whole community would have to work hard and fast. LTV Company’s South Side Works, for instance, could be profitable with the addition of a continuous caster, but it was crucial for government and private entities to make cooperative investments. For USS, however, the study reported that there was no hope for recovery. The Tri-State Conference on Steel, a non-profit research group dedicated to investigating the feasibility of maintaining an American steel industry, criticized the survey as having assessed each USS mill as though it were operating in isolation from the rest, rather than building off the successes of any tentatively modernized plants. For instance, the Homestead Works would undoubtedly benefit from renewed productions at the South Side plant, but such integrations were not considered.32

The bane of the American steel industry’s existence was its antiquated production methods. While the rest of the world had literally been destroyed by the Second World War and was given a chance to rebuild, America emerged intact, complete with its aging factories. After a few decades Japan had caught up and surpassed the United States on the technological front, while the US was averaging the oldest steelmaking equipment on earth in the 80s. Steelworkers found it highly apparent early on that they were “wasting time screwing around” with old technology, and rather than trying to fix it the companies passively permitted such mechanical inefficiencies to cost them money in the long run. In an interview with Steel City News David Roderick claimed that for USS, it was “just plain lack of financial ability” to modernize, blaming tax and environmental laws rather than any lack of desire on the company’s part.33

Unfortunately for steel advocates, the McLouth Steel Company of Detroit proved how difficult it could be to upgrade old technologies when domestic and global markets were in

recession. McLouth was among the first steel companies to embrace modernization by installing a continuous caster in the early 70s, proving itself far ahead of the game when many larger companies had not even contemplated upgrades by the late 80s. By 1981, however, McLouth was $166 million in debt and unable to repay financiers. As it filed for bankruptcy the company demonstrated that when demand is low, technology that enables plants to churn out high numbers is not worth the initial inlay when it does not ultimately operate at full capacity. Despite attempts to diversify, McLouth could not distance itself sufficiently from steel, the business that they as “hardworking people” knew and cared about.34

Such conditions precluded private investment in steel in most cases. For National Steel, however, management found the solutions they sought overseas. Initially US Steel planned on purchasing the country’s fourth largest steel company, but when the deal fell through National reached out to Japan’s second largest steelmaker, Nippon Kokan, who agreed to purchase half of the corporation. The agreement allowed Japan to slip further into the United States steel market while also granting National Steel the private capital it needed for modernization and thus the ability to produce better products, rendering them attractive to automakers.35 Nippon Kokan and National Steel’s merger was part of a growing trend between Japanese and American companies to band together. For US corporations the Japanese market was highly exclusive and lucrative. It was an ironic fad given both countries’ governments’ attempts to erect trade barriers as each struggled with competition. The private market’s undermining of such protectionist measures


35 “Japanese steel follows the carmakers to America” *Data Center Files* (from collection “Tri-State Conference on Manufacturing Records, AIS.1993.10” at Archives Service Center, University of Pittsburgh), 29.
illustrates the complex nature of increasingly globalized economies as well as the importance for corporations to integrate internationally to bolster trade.36

For US Steel, the solution to declining profits was disinvestment. David Roderick asserted the importance of investments in which a shareholder could have “a reasonable expectation of a fair return,” a business strategy that transferred capital away from marginal businesses to more attractive ones.37 According to Roderick American capitalism was “always going to work that that, and it’s the best by far” of all other economic systems.38 The bottom line for USS was “not to make steel, but to make steel profitably.”39 When a foreign businessman arrived in the United States, he observed that American companies were spending more money and time suing and buying each other than building themselves constructively; they were “moving financial assets around on a financial chessboard,” and acting more like banks concentrating on short-term profits than developing goods. In the case of automakers, companies made superficial changes to improve aesthetics rather than innovating fuel-efficient small car technology like other countries, “neglecting [the] basic underpinnings” of their businesses.40

In 1986, in an illustrative display of corporate amorphousness, United States Steel changed its name is USX, “recognizing the fact that it had become a vastly different corporation”


37 The Business of America

38 The Business of America

39 The Business of America

40 The Business of America
and claiming it was reacting to external economic forces.\textsuperscript{41} In 1982 the company purchased Marathon Oil and then four years later Texas Oil & Gas Corporation. USX also tried its hand in various other businesses including chemicals, energies, and real estate.\textsuperscript{42} In its corporate newsletters, the company boasted about its USS Chemicals division’s capacity and achievements, noting that the factories were fit with the most modern equipment and computer systems. Meanwhile at the Lorain-Cuyahoga Works in Ohio and at the Gary, Indiana plant, US Steel was installing new casters to mold liquid steel into semi-finished metal products.\textsuperscript{43}

In a letter to employees, David Roderick sought to explain USS’s acquisition of Marathon Oil, no doubt a sensitive subject for thousands of steelworkers facing mass plant closures in the Mon Valley. Roderick assured them there was “no threat to our steel or other business segments,” and that the company sought to maintain its leadership position in the industry for years to come. His words rang empty, though, as he added that steel will be the company’s main focus “as long as it holds prospects for a competitive return.”\textsuperscript{44} US Steel was not competitive, and the notion that it was “not diverting capital earned in the steel sector to nonsteel business” could not possibly stand to scrutiny. Almost simultaneously, USS celebrated the Louisiana Offshore Oil Port, a major innovation by newly-acquired Marathon Oil. Colorful photographs of shimmering swimming pools dotted along the perimeter by yellow umbrellas and palm trees next to a putting green adorned the newsletter’s back pages, as USS advertised its new

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\textsuperscript{43} “Two World-Scale Chemical Plants Begin Commercial Operation in Texas,” \textit{US Steel News,} 83/3, Vol. 48 No. 3 (Pittsburgh: Communications Service, United States Steel Corporation,1983).
\textsuperscript{44} David Roderick to USS employees, November 25, 1981, (from collection “Tri-State Conference on Manufacturing Records, AIS.1993.10” at Archives Service Center, University of Pittsburgh).
\end{flushright}
real estate projects in Florida, which included residential communities, yacht and country clubs, and beachfront resorts.\textsuperscript{45}

US Steel was, of course, not the only private organization with economic clout in the Mon Valley. The behaviors of other companies likewise took their toll on the steel industry. Mellon Bank fell under heavy fire of a radical brigade of church officials known as the Denominational Ministry Strategy (DMS) for what they perceived was a conspiracy between Mellon and US Steel to strip the Valley of its wealth. While DMS unleashed a fury of brimstone and hellfire via poorly-written fliers and letters, the true role of Mellon Bank was more like that of a benign third party caught in the middle of a war between community organizers and the private companies, namely USS, who held the real power behind deindustrialization.\textsuperscript{46}

Mellon Bank established its Community Development Division in 1981 that would, in theory, foster cooperation among all community members in an effort to encourage democratic participation in developing economic policy for the region. In Mellon’s “Community Focus” newsletter “highlighting community economic and social development,” division Vice President Frank Kohne discussed how “Mellon plays an aggressive role in economic development […] coordinating lending and service programs targeting housing and economic revitalization.”\textsuperscript{47}

The bank eagerly portrayed itself as a socially-conscious community member with the public good as a high priority. While steelworkers and their clergymen may have felt differently, Mellon boasted of its success in developing new technologies. The Black Box Corp, a new computer company financed by Mellon, earned $10 million in sales revenue in 1982, and was


\textsuperscript{47} Mellon Community Focus, Vol. 1, Third Quarter, 1983.
seeking to grow its 90-employee business. Mellon was happy to develop a “complicated [loan] package” for the company that created a “mysterious device that solves problems,” as Black Box Corp sought to develop its new $550,000 facility into one that would house research, manufacturing, training, and other elements of production. Nevertheless, Mellon was able to work through potential conflicts with rules for loans to enable this area of a ballooning technology and service market to grow.48

While the cover page fervently described Mellon’s commitment to developing the new technology sector of Pittsburgh’s economy, the newsletter’s interior sections touch briefly upon steel’s plight, using buzzwords to convey a vague sense of deference for distressed local economies. Mellon gravely proclaimed that “[p]artnership is a word you will hear a lot in Butler County these days,” acknowledging the need for public and private sectors to work together. Nevertheless, their only example of such cooperation was the $46 million Butler County Hospital expansion, labeled “a typical example of bank activity.”49 In light of steel worker distress, Mellon executive Mike Fritz claimed that the Bank’s main priority was working on “communicating its goals” and was at the “threshold of making several decisions that will lead us into balanced economic development- and that’s a key word, balanced.”50 Aging, mismanaged steel mills were not among Mellon’s concepts of “balanced.”

Indeed, Mellon did focus on economic revitalization and development. The Continental Can Company, yet another instance of a failed American industrial enterprise, used to occupy the Airport East Industrial Park just outside of the city. Local authorities sought to resuscitate

48 Mellon Community Focus, Vol. 1, Third Quarter, 1983, 2


50 Mellon Community Focus 3
manufacturing with a $2 million loan from Mellon that would get the abandoned structure “back on tax rolls.” The Bank was not, however, entirely focused on heavy industry, suggesting that the facility could also be used for retail and warehousing. An investor not associated with Continental Can claimed that the company was “confident in Mellon,” since the loan carried a relatively low interest rate and aimed to pump life back into the dead factory. The Braddock Industrial Park had the same fate, as the Greater Pittsburgh Business Development Corp secured an $80 thousand grant from Mellon that was crucial to securing bigger government loans in order to remake the former industrial park. The aim was to bring in small businesses and make warehouses out of the good existing buildings. Overall, Mellon was optimistic and active in remaking old factories into modern buildings with differing uses; it wasted no time in lamenting the days past of steel and other heavy manufacturing.

Mellon could not single-handedly worsen the plight of steel. Edward J. DeBartolo was an enormously wealthy builder of shopping malls across the United States. In Pittsburgh, he paid a relatively hefty $14 million to US Steel to construct the Century III Mall on what was formerly the 21-story Frick Building. In 1983 DeBartolo established a new partnership in which Mellon Bank was a trustee. Suspicious of corruption within such large corporate entities, the US Senate researched the upper tiers of major American businesses and placed Mellon among those “controlled either by family interests or banks holding investor’s voting rights.” The report was part of a broader federal initiative to expose “the hands on the levels of control of giant,

52 Mellon Community Focus 3
54 “Braddock Industrial Park”
private corporations,” suggesting that at least a few members of the government believed businesses should be held publicly accountable. DMS was also quick to note that an executive from US Steel also sat on Mellon’s board of directors.

While many of Mellon’s activities were more reactionary to the breakdown of Mon Valley industry, some suggested that the bank contributed to steel’s demise by supporting Japanese competitors. By the 1980s it was a foregone conclusion that Japan had been dumping steel in the US, so there was understandable outrage at the revelation that American banks were loaning more than $1 billion to Japanese steel companies. Mellon ranked among the top fifteen financial institutions that had provided funding for foreign industry on a list compiled in 1978, a time when many economists viewed deindustrialization as not inevitable. With a relatively small $13 million, Mellon’s Japanese loans paled in comparison to Citibank, Bank of America, and Chase Manhattan who, at the top of the list, combined with a total of $1.13 billion. In a cruel twist of irony, the “retirement funds of American steelworkers are being used to support banks whose lending helps Japanese companies drive the steelworkers out of jobs.”

To create further controversy, Mellon foreclosed on what was once the largest producer of steel mill equipment, the Mesta Machine Company while simultaneously loaning money to Sumitomo Industries of Japan, a steel company producing continuous casters. To make matters worse, that Japanese equipment was purchased by a Jones & Laughlin steel mill in Indiana as part of their modernization efforts. In light of Mesta’s bankruptcy, United Steel Workers locals pledged do remove $1 million form Mellon banks in an effort to tarnish what was already a poor

public image. Mesta, $19.6 million in debt, was forced to withhold a month’s wages from workers, and union locals found themselves tangled up in the courts to get Mellon to pay employees what they were owed. Meanwhile the law firm representing Mesta in foreclosure proceedings was under federal investigation for ethics violations, as the same firm represented Mellon in its usual business dealings.58

While banks may have looked at foreign loans as a surer source of profit than faltering domestic industries, American small businesses contended that they were suffering from high foreign interest. In some cases, foreign loans could not be repaid, and banks had to look for more stable sources of income to back them up. For Americans it was harder to secure loans that would carry less appetizing rates for banks, which “may be the next major area of crisis management of U.S. small businesses.”59

Despite allegations of corruption and financial immorality, Mellon sometimes contributed charitably to the communities suffering from unemployment. The Bank held a competition in 1983 in which a winner would be selected to win $600 from Mellon’s Monthly Retirement Savings Account. In Armstrong County, just north of Pittsburgh, a non-profit in Kittanning received the prize money, and raised their own $344.98; Mellon matched the total $1,055.02, which was used to fund a training program in which local organizations helped educate the unemployed in computer technologies and find job opportunities. Somewhere in the upper echelons of Mellon Bank someone was looking out for the welfare of the community.60

In response to DMS’s allegation that it was evil, Mellon explained that, like any other private company, it merely sought the highest returns for shareholders. The ministers were perhaps correct in assessing the bank’s prominence in areas of high finance; Mellon either owned or was among the top five shareholders of many large corporations including Alcoa, Gulf Oil, Koppers, USS, Pittsburgh Plate Glass, Armco, Heinz, and others. Meanwhile among the Bank’s largest investors were Pittsburgh National Corp, JP Morgan, Wachovia, Wells Fargo, and ranking tenth, US Steel.61

The private market forces driving investment in the Mon Valley did not support costly modernization efforts in a steel industry in which demand was low across the board. The initial outlay of capital to upgrade aged plants could not be considered a viable option for corporations looking to produce the highest returns for investors in the shortest amount of time. US Steel chose instead to diversify its business assets, spreading itself across numerous faster-growing industries and morphing into a corporation that did not care about reducing its costs and improving efficiency. Faced with overwhelming global competition and relatively high labor costs, US Steel abandoned its mills, proving that if the Mon Valley wanted to retain its steel industry, it would need swift government intervention.

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Corporations and the general public alike turned to government as a quick fix for steel’s problems. But as Pittsburgh sociologists observed, public policy in America was not geared toward quick mobilization to save an industry on the brink of collapse. Regional economic planning, to the extent that the various levels of government engaged in it, was done incrementally. With the exception of wartime politics, decisions required great consideration and happened over long periods of time and, compounded by the fact that various public, quasi-governmental, non-profit, and local governments all intermingled in overlapping areas, lines of authority and responsibility were not clear cut. Steel could not hope for swift, unified decisiveness to save it from itself.\footnote{Cunningham 19}

Big steel’s solution to its inefficiencies was to lobby the government for relief from taxation and foreign steel. In 1980 US Steel prepared to file suits against Japanese steel companies who had been dumping their products on Americans shores. Bethlehem, National Steel, and USS all demanded, furthermore, that the government ease up on pollution regulations, which tied up their resources that could otherwise be used to modernize. In essence, the steelmakers warned that if the government failed to cooperate with their demands, foreign steel would overtake the country and America would have to accept whatever price they set. The United States would become dependent as it was on oil.\footnote{Jerry Knight, “Industry Again Calls for Aid From the US: Steel Giants Ready to File Dumping Case,” \textit{Washington Post} (1974-Current file), February 1, 1980, \textit{http://www.proquest.com.proxy.libraries.rutgers.edu/} (accessed February 28, 2012).}
While steel lobbyists were among the noisiest in Washington, clamoring for legislation against so-called unfair trade practices by other countries, Jimmy Carter struggled with his own international crises that took precedence over steel. In 1980 amidst an already tense global economic environment President Carter was focused on soliciting UN support for sanctions against Iran and the Soviets. He would not substantially raise the minimum price for steel imports having already settled on a trigger price agreement in the late 70s that set quarterly minimums. The government boosted import prices several times since then, which also succeeded raising the price of domestic steel as well as inflating the market. Like an impetuous child, USS would not take no as an answer from Carter, and threatened to take their case to court. Luckily for them, the Commerce Department found the complaints to be substantial, setting the stage for further protectionist measures.\(^{64}\)

The American public also insisted that the government step in to deal with the private sector’s mistakes, lest the industry and its dependent communities be destroyed. Local levels of government watched their tax bases quickly evaporating as huge companies left regions, such as USS in the Mon Valley, and were left powerless to combat deindustrialization. Economist Barry Bluestone proclaimed how important it was for government to recognize that corporations were not doing their job, which was to make steel, and that public ownership was not a likely solution unless the government would step in and guarantee loans. Otherwise American society was agreeing to let the steel industry dismantle itself. In the case of the Tennessee Valley Authority, the government did not want to necessarily take over, but was forced to do that which private companies failed to do, proving that the country could not rely on free market forces to fill important public needs. To Bluestone and many others, “the private sector ha[d] so

monumentally fallen short” in the Mon Valley that nothing short of swift government intervention would save it.65

The Reagan administration, which labor economist Jack Russell dubbed, “the strut of the Neanderthals which have been inflicted on us” ushered in a whole new area of policy issues for American society.66 In 1987 the National Committee for Full Employment testified before the Congressional Joint Economic Committee and claimed that Reagan created fewer jobs than any of the past four administrations, including Jimmy Carter.67 The President’s economic policies, in essence, rested on the theory that government deregulation would generate greater wealth for private corporations that would subsequently trickle down the rungs of society in the form of greater investment. Following that train of logic, Reagan slashed welfare and provided substantial tax breaks for large companies, believing they would use their savings for modernization which would then help create and preserve jobs. Earlier, in 1981, the Steel Industry Compliance Extension Act was passed as an amendment to the Environmental Protection Act, aiming to free up steel capital to make modernizations, which would indeed be cleaner and better for the environment.68 Instead, the steel industry laid off most of its workforce and used $6.5 billion in savings to purchase Marathon Oil, which at the time was the sixth biggest merger in American history. Reagan helped further import controls, tax cuts, and

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65 Bluestone 49


68 Bluestone 49
environmental deregulation, yet steel companies by the 80s were investing less than half of what they did in the 1960s.  

In 1984 the House and Senate, after much intense debate, arrived at an agreement on a trade bill in light of an anticipated $130 billion merchandise trade deficit. A limited effort resulted in Washington that would defend domestic industries against unfair trade practices, but in order to gain the President’s approval the bill had to include a stipulation that American steel companies would upgrade their technologies in order to reap the benefits of a friendlier market. Witnessing plant after plant fail to modernize, it would seem as though the President was wrong in his assumptions about private market behaviors.

Similar to USS, Reagan’s economic policies had little to do with steel. Ten thousand nuclear missiles, placed strategically across the globe, stood ready to be deployed at a moment’s notice. Capable of destroying the planet several times over, the American military buildup of the 1980s was not only radically unprecedented, but seemed to be the terrible realization of a work of science fiction. Indeed, Americans tuning in to the evening news on March 23, 1983 received a hint from the President that a key policy focus was to develop a special system that would render any nuclear strike against the United States “impotent and obsolete.” The Star Wars initiative was symbolic of the Reagan Administration’s overall economic agenda: militantly protectionist and dismissive, or simply naïve, of the 21st century’s complex geopolitical realities.

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69 The Business of America


The international environment in which Ronald Reagan came to power was marked by sophisticated interdependence among post-World War II states, a climate in which the American president’s free-trade and supply-side economics ideals were insufficient to foster the constructive cooperation necessary to foster global economic richness in the Western hemisphere. Reagan’s vehement anti-communism seemed to have been trumped by his adherence to economic liberalism, in which few mechanisms were in place to bridle the natural processes shaping the Atlantic economy, forces that did not necessarily yield increased prosperity and growth for all those involved.\textsuperscript{72}

Reagan’s isolationist positions worried a country emerging from the recession of the 70s, concerned yet about a total economic collapse. For the president and his cabinet of hardline Cold Warriors, however, the chief aim of economic policy was the perpetual strengthening of the US military position, crucial to its triumph over the Soviet Union. At least in rhetoric, the United States boasted of its mighty industrial capacity, a matter of pride and pragmatism, and called upon its people to develop the technology that would propel the nation far beyond the USSR in strength and ability.\textsuperscript{73} Yet as the president declared, “[l]et us turn to the very strengths in technology that spawned our great industrial base, and that have given us the quality of life we enjoy today,” the quality of life for the men and women of great American industrial towns was rapidly deteriorating.\textsuperscript{74}

The steel industry, once a mighty pillar of American capitalism, was crumbling, in the minds of union and corporate officials alike, from the weight of foreign steel dumped on American shores. Indeed, national courts had determined that Japanese steel had been dumped

\textsuperscript{72} Oberdorfer 17-9
\textsuperscript{73} Oberdorfer 24
\textsuperscript{74} Oberdorfer 28
in the US, small victories for American companies whose old clients had returned in the face of slowing imports. In the late 70s President Carter had worked on a limited basis with US steel companies to prevent cheap foreign steel imports from crippling the domestic economy, but in 1978 David Roderick estimated it would take an additional five billion dollars a year for American companies to be able to compete with foreigners. That year, Bethlehem Steel, the number two producer in America, lost 10% of its production capacity as it slashed away at its plants. Elsewhere, the Wheeling-Pittsburgh Steel Corporation was seeking government-backed loans to modernize, while other companies were looking to merge, moves that the Justice Department might not support.75

Reagan’s biggest contribution to steel was his negotiation strategy that asked other nations to lower their imports. Aided by US Trade Representative William E. Brock, Reagan aimed to lower the foreign share of the US market to 18.5% after he refused to implement tariffs and quotas.76 Talks with the Europeans produced an agreement that would extend throughout the rest of the decade and limit imports, but American steel producers still were not happy, longing for a broader scope of countries and products.77 David Roderick did praise Reagan’s policies, however, acknowledging that while the processes of ousting foreign steel from the United States would take a long time, many companies who were struggling would be entirely bankrupt. USW President, Lynn Williams was, of course, not happy as he watched 170,000 jobs disappear throughout the decade.78

The Reagan Administration’s response to such concerns was, in the minds of union workers, less than satisfactory. Bent on reducing government regulation, Reagan insisted in 1984 that his officials would work to vigorously support existing legislation limiting foreign imports and aimed to reduce import quotas over the course of a few years. Lynn Williams, however, dismissed it as election rhetoric, demanding more from the government. While industry leaders appeared appeased, applauding Reagan’s promotion of “fair trade,” the lack of strong federal support of American steel helped widen the rift between corporate elites and union members.79

A year earlier, Dr. Jayne Baker Spain, the director of Litton Industries, was appointed to the advisory committee to Reagan’s White House Conference on Productivity. Her company was known as being notoriously brutal to unions; according to the National Labor Relations Board, Litton was “guilty in more than 20 instances of interrogating, threatening, spying, harassing, suspending and firing union supporters.” More than two hundred union men turned out in August 1983 outside the William Penn Hotel to denounce Spain’s appointment, viewing the move as a blow to organized labor everywhere and a betrayal of the federal government. Led by Frank Pugliano, the secretary-treasurer of the International Union of Electrical Workers District 1, Western Pennsylvania union men, backed by a handful of local politicians, sought a House resolution that would prevent companies who broke labor laws from receiving federal contracts; an entire quarter of Litton’s sales came from military defense contracts. Someone with that background, Pugliano maintained, should not have been working for the government.80

In another move considered devious to steelworkers, Reagan poised to expand the Export-Import Bank in 1983, despite his overall policy of budget-cutting. While the bank counted $17 billion in loans to large American companies producing planes, nuclear weapons, and telecommunication materials, steel companies seemed to have been left behind. The justification that the bank created jobs and promoted foreign purchases of US goods was based on hazy evidence, and served to intensify global “trade wars” with Europe and Japan. While economists did not agree on the Bank’s own analysis of its importance, it was clear that smaller American companies had a harder time finding credit while the Ex-Im Bank totaled almost $1 billion in bad and below-cost loans to larger entities.81

American steel producers did not respond well to Reagan’s dismissive attitude toward the ailing industry. The vice chairman of Bethlehem Steel, Robert F. Schubert, expressed his concern that America would become as dependent on foreign steel as it was on oil, and that government aid was the only way for American steel to become as competitive as it needed to be. He warned of the industrial might of Japanese and European producers, who could form an alliance similar to OPEC that would raise steel prices. American steel officials declared that they were not seeking government handouts, but rather tight enforcement of import laws and relaxation of domestic barriers to production, such as pollution regulations.82

Other politicians were not so blind to the steelworkers’ plight. Democratic presidential hopeful Walter Mondale, speaking of Reagan’s attitude toward the steel industry in 1984, criticized the president as “let[ting] it rust.” That election year America saw the foreign share of

the steel market decline from 34% to 25%, a substantial decrease that was supported by a bill attempting to lower the quota to an even smaller 15%. Nevertheless, Mondale claimed that Reagan’s modest negotiations in which foreign industries would voluntarily limited their exports to America were insufficient to assist a profoundly ailing US steel market. Vice-presidential candidate Geraldine Ferraro likewise criticized the huge trade deficit, scorning the loss of American jobs to other countries, and lambasting the deindustrialization of the Mon Valley, which did not see the same economic upturns as other parts of the country under Reaganomics.83

The United Steelworkers of America, meanwhile, had a grim outlook for steel’s future, insisting that natural economic forces would not cure the Mon Valley’s sickness. Reagan’s policies were toxic and damaged some companies so drastically that nothing short of complete cooperation among all sectors would save steel. Labor, banks, companies, and governments needed to make concessions, which would never happen. USW blamed Reagan for raising the value of the dollar thereby encouraging foreign imports and higher interest rates, not necessarily bad economically but certainly not beneficial for steel.84 The Mon Valley was “in an advanced state of economic decline,” and “that the present governmental-economic organizations have not been able to sustain economic growth can scarcely be debated.”85

Barry Bluestone blasted Reaganomics as “a substantial failure,” claiming its theories “never did make much sense […] that cutting taxes and boosting defense spending do not mix


very well, creating massive deficits.” He admitted that American society in the 80s was much more complicated than prior generations. He had come of age in a more straightforward era, where notions like civil rights and LBJ’s Great Society were simple matters of right and wrong. In the 80s the Mon Valley was facing massive unemployment and deindustrialization and yet the stock market was climbing radically. Bluestone noted it was hard to paint one picture of American economics, as differed regionally and demographically. Instead of working for the basic tenants of democracy as they did in the 60s and 70s, Americans in the 80s had to contemplate stagflation and other complicated economic matters.

The Tri-State Conference on Steel reflected that the United States had tremendous opportunity and UN support after World War II to essentially rebuild the whole world. The federal government implemented policies to aid in the economic boom, but also began boosting defense spending, which served to undermine growth. As political attention shifted to military budgeting, other areas suffered from neglect and inflation. While other countries in the world were modernizing with the help of their governments, American steel looked for cheaper labor in the southern states and abroad. Countries like Japan and Germany had been ravaged but by the 80s had rebuild with glimmer new technology and overtook the United States. Vietnam worsened stagnation as it sucked countless human and monetary assets from the US at a time when foreign competition was climaxing. Research and development happened globally, but in insufficient quantities in America, and profits subsequently declined.

86 Bluestone 18

87 Bluestone 19

Unions felt that government and private policies undermined their progress from previous decades. An influx of immigrant labor after World War II provided American factories with an easily exploited workforce, enabling management to dodge making meaningful and possibly difficult structural changes in exchange for quick fixes to cost problems. In comparison to Japan where the private and public sectors cooperated to achieve economic prosperity and a competitive steel industry, Americans failed to mount a unified attack against the forces of deindustrialization. The Mon Valley public called for government programs that would meet “human needs” instead of focusing on the bottom line for business, which obviously was not going to preserve the steel industry.  

By the early 80s steel companies were already focused on “the larger remedial package,” as though deindustrialization were a foregone conclusion. Most legislation attempts involved unemployment packages and justified the reasoning behind plant closures. Part of the problem was that the permanent decline of industry was “a relatively new area of concern for social scientists,” having been viewed initially and too simplistically as a simple case of “capital flight” from the northern US to the south. Some critics of the United States’ economic system were, in some ways, criticizing capitalism itself, a tactic that did not produce many legislative results. Conservative responses, for instance from the Heritage Foundation and the Cato Institute, declared that tinkering with the natural flow of capital would just make the national economy sickly, and that disinvestment was fine as “the forces of a free and open market would make appropriate adjustments for communities and workers affected by the movement.”

89 “Select Proceedings of The IUP Conference on Industry and Society” 6
90 “Select Proceedings of The IUP Conference on Industry and Society” 9
91 “Select Proceedings of The IUP Conference on Industry and Society” 10
Stern Group, an economic advisory company, announced that for the first time in about a quarter of a century the United States steel industry was operating efficiently and profitably and was able to compete in a global market. Despite such assurances George H. W. Bush made campaign promises to the Mon Valley that he would extend Reagan’s protectionist policies beyond the end of his term.\textsuperscript{93}

Local governments typically did little to combat deindustrialization, powerless to influence broader global economic phenomena and the private sector decisions of such titans as US Steel and big banks. In 1982 Pittsburgh Mayor Richard Caliguiri developed a proposal for keeping steel on track in Pittsburgh, outlining a five-year moratorium on subsidized steel imports, job training for laid-off workers, and measures to promote cooperation between labor and management. Naturally, the Post-Gazette was not terribly optimistic about his vague ideas and the public and private sectors never managed to see eye to eye on any issues.\textsuperscript{94}

Elsewhere, opponents of deindustrialization suffered losses in court, such as when the Sixth US Circuit Court of Appeals upheld USS’s right to partially close down its Ohio Works and McDonald Works. An investigation was pending, however, as to whether their refusal to sell abandoned property to workers violated anti-trust regulation.\textsuperscript{95} A federal judge later dismissed the anti-trust case, claiming there was no compelling evidence to move the case along.\textsuperscript{96} The public’s other efforts to engage their governments in the ailing steel industry met little success. When Tri-State organizers wrote to Ohio’s 11\textsuperscript{th} district representative, Dennis E.

\textsuperscript{92}“Select Proceedings of The IUP Conference on Industry and Society”10-12
\textsuperscript{94} “Caliguiri plan to aid steel gets cities’ panel OK,” \textit{Pittsburgh Post-Gazette}, December 1, 1982.
\textsuperscript{95} “Appeals Court Upholds Right of U.S. Steel To Close 2 Ohio Plants” \textit{Wall Street Journal}, June 28, 1980.
Ekart, the congressman told them that he approved of the organization’s efforts to relieve social woes in Western Pennsylvania, West Virginia, and Ohio, but that it was not a function of his office to contribute financially to such programs. As the Steel Valley Authority attempted to purchase the Homestead Works and other former USX properties in the late 80s, State Representative Mike Dawida asked the company to be a “good corporate citizen” by cooperating with steelworker efforts to take ownership of unwanted plants. Pennsylvania Governor William Casey assembled with town councilmen and state representatives to weigh purchasing options with the SVA, but as it turned out USX had accepted an offer to sell its property to the Park Corporation, which would tentatively create limited job opportunities for non-union workers. In most cases, governmental support for steel’s proponents was purely rhetorical and fell short of providing tangible relief.

Barry Bluestone pondered the apparent contradiction in American society where people squawked over protecting “the unborn fetus” but yet were seemingly complacent with allowing huge companies and their unbridled economic power destroy entire communities, asking “what kind of crazy society is letting that kind of thing happen?” It was Ronald Reagan’s crazy society that let that kind of thing happen, which provided US Steel the freedom to abandon its steel industry in the Mon Valley in pursuit of profits elsewhere.

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97 Dennis E. Eckart to Jim Benn and Rev. Garrett Dorsey, February 16, 1988, Archives Service Center, University of Pittsburgh.

98 Margie Romero, “Forcing the Issue: Dialogue Finally Begins on Contested USX Property” In Pittsburgh, February (year unknown), 3-9.

99 Bluestone 17
Chapter 3

The American Public

The private sector had determined that steel in the Mon Valley was not a profitable pursuit while governmental authorities proved unwilling to protect an industry that squandered opportunity to modernize and increase its efficiency in the face of global competition. Steel’s final hope rested with the general public and the various organizations that arose in an effort to seize control of the mills. The Tri-State Conference on Steel was a small but legitimate expression of popular democracy, as it sought through government means a way for steel workers to regain control over their jobs and livelihoods. Attempting to wield the power of eminent domain through the establishment of a quasi-governmental authority, Tri-State succeeded in establishing the Steel Valley Authority but failed to mobilize the necessary capital to buy out the former steel titans. The United Steel Workers had been a union in decline since the 1970s and proved unable, through poor solidarity, toxic labor-management relations, and mismanagement of pension fund assets, to save their jobs and stop steel from leaving the Mon Valley. A third entity, the Denominational Ministry Strategy, attempted to defame large private corporations through propaganda but was generally dismissed as a bumbling collection of angry priests who did little to stop deindustrialization. Finally, the American public’s perception of Pittsburgh as a dusty, shot-and-a-beer town only warranted celebration when US Steel shut down the vast majority of its operations in the 1980s, thereby cleansing the city of its grimy past and opening the door for a glimmering future.\footnote{Dale Hathaway, \textit{Can Workers Have a Voice?: The Politics of Deindustrialization in Pittsburgh}, (University Park, PA: The Pennsylvania State University Press, 1993).}

According to their bylaws, Tri-State’s purpose was to research the causes of deindustrialization, to investigate ways to prevent or lessen the impact of plant shutdowns, and to
help those already ousted from their jobs. Their efforts to gain power through the mobilization of capital consisted of lobbying for their own government entity, the Steel Valley Authority. Similar in theory to the Tennessee Valley Authority, the SVA would cite eminent domain to claim abandoned steel mill property for public use in an effort to rebuild communities.\textsuperscript{101} Tri-State organizers noted that there was plenty of legal precedent in regard to steel and community development. Jones and Laughlin Steel had an entire community razed in order to build a plant in the Hazelwood neighborhood of southeast Pittsburgh. When the company decided it was not ready to build, despite having leveled many homes and business, the blocks remained vacant. Similarly, the Renaissance I and II urban renewal projects cleared space for private companies with enough capital to woo municipalities despite the question of whether such use of eminent domain advanced public or private interests.\textsuperscript{102}

Tri-State officials felt that any other pursuit involving government intervention was a waste of time. The steel industry was, by its nature, inefficient and would not benefit from subsidies or indirect tax measure attempting to coax mills into upgrading. Indeed, government attempts to strengthen the industry in an atmosphere of decline “had been a total failure” according to Tri-State, as free market forces only worked for profits. The organization looked toward the example of Conrail in the 70s in which market forces prevented substantial railroad development but Northeast infrastructure was a broader social and economic interest so government saw fit to invest. The idea was to give a failing enterprise enough of a boost for it to eventually become independent and privately competitive. Tri-State observed that the more companies are driven by market forces to divest in their primary industries the greater the tentative costs of modernization are. The federal government eventually had to bail out Penn

\textsuperscript{101} Hathaway 24
\textsuperscript{102} Russell 2
Central, whose costs would have been smaller if they had acted sooner. Penn Central proved incapable of building Conrail, so government had to do it. Similar “drastic action” was deemed necessary for the Mon Valley steel industry.103

On the United States’ west coast there was a crisis resulting in the complete evaporation of domestic steel, as imports in some locations were estimated to be at a staggering 80% of the market, threatening the east if, Tri-State claimed, the government did not step in. Specifically, as it asserted that ownership by means of the production was not viable as it still relied ultimately on private forces, Tri-State advocated the formation of a quasi-governmental authority such as Conrail or the Tennessee Valley Authority. The organization’s primary idea was that local governments could assist the public with eminent domain cases. In prior situations courts had allowed lands to be seized when industries promised the creation or preservation of jobs. There was, Tri-State argued, a very compelling public interest in the case of preserving Mon Valley steel. To buy out US Steel any public entity would need massive amounts of capital that local governments and community organizations simply did not have. Bank credit was not a viable option according to Tri-State because then yet another large private company would be in charge of operation. Eminent domain would require federally-backed loans if Tri-State were to succeed.104

Naturally, Tri-State explored other public options for salvaging steel, including its de-privatization. They argued that because of tax write-offs for diminishing and closing plants that inflated estimates of companies’ values, the government would ultimately save tax payer money if they bought the mills. The organization also considered the ideas of leading economist, Felix

103 Bob Erikson, “The Tri-State Program for Revitalizing and Restructuring the Pittsburgh Steel Industry,” Archives Service Center, University of Pittsburgh, 23.

104 Erikson 24-6
Rohatyn, famous for his restricting of New York City’s municipal functions in the midst of financial chaos. Rohatyn developed a Reconstruction Finance Corporation that would make federal loans available to private companies pending labor, management, and private bank cooperation. Tri-State remained skeptical, however, as interest rates would need to be substantially lowered, and billions of dollars’ worth of government subsidies still would not go far enough to make the necessary modernizations to render steel competitive.  

In essence, Tri-State proclaimed the importance of government assistance in keeping steel mills open, but simultaneous denounced efforts by the federal government to treat steel’s symptoms rather than fight its causes. The idea of entrusting someone like Carter or Reagan with the Mon Valley’s deindustrialization was “repulsive.” Rather, workers and their communities were the only ones who could be trusted to operate the mills in steel’s best interests so it was crucial that the public have the biggest say in the industry’s fate. The federal government was too centralized, bureaucratic, and distant, so when it made a decision it was often done with broad considerations and little understanding of local communities. 

There was never, according to Tri-State, a “free market” for steel in the United States because it was always a monopoly. For the government to hesitate to interfere, therefore, on the grounds of disrupting capitalism, would be hypocritical. Dumping regulations, price controls, and import quotas were beneficial but would not alone save steel. Given transportation costs, it was still relatively cheap, even with government regulation, for foreigners to unload their products on the east and west coasts. Import laws only prevented foreign penetration into the center of the nation, which included the Mid-West and the Mon Valley. As such, present

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105 Erikson 28
106 Erikson 29
107 Erikson 29-31
government legislation only provided a skewed protection for US Steel, further perpetuating inefficiencies and unwillingness to modernize. Tri-State conceded that such measures would help preserve jobs, but such success was superficial unless the public acted to change the American steel industry’s very nature.\textsuperscript{108}

When Tri-State’s ideas were put into practice in an effort to save the Dorothy Six blast furnace at USS’s Duquesne Works, the organization faced unexpected opposition from the steel company, government, and ultimately their own lowly bank accounts. Having already failed to rally enough support to take over USS’s Youngstown, Ohio plant, Tri-State renewed its efforts for Dorothy, conducting multiple feasibility surveys in which David Roderick refused to participate. Some price estimates for a continuous caster were surprisingly lower than expected, and Tri-State developed an employee stock ownership plan (ESOP) that would rely on “start-up expenses […] provided by banks and other investors, under a financial arrangement drawn up by an investment firm with credibility in the business community.”\textsuperscript{109} The organization was a bit overly optimistic and still relied too heavily on the cooperation of private companies would refused to recognize steel’s role in the Mon Valley as essential. While Tri-State began to mobilize support across Pennsylvania municipalities and even Harrisburg as officials were interested in hearing about plans for salvaging plants, the plan was too reminiscent of socialism, something for which the broader public was unprepared. Exasperated, Tri-State lamented that US Steel was “merely the groundskeeper” of several of its plants, having purchased Homestead and Duquesne from the federal government initially, and that the American public was the true owner.\textsuperscript{110}

\textsuperscript{108} Erikson 44-5

Tri-State was forced to admit that workers had been too complacent for too long, failing to take necessary actions into order to have some say in the way companies were run. “We have to abandon the 200-year-old American dream,” they declared, advocating new grassroots approaches to old problems that would contemplate the long term on behalf of future generations. Nevertheless, it was impossible for the Pittsburgh workforce, most of which had been decimated already, to purchase steel assets.\footnote{The Business of America}  

Labor had, over generations, risen up from the lowest rungs in society to a high position of power in which it could take on management’s arbitrary powers. By the 1980s, however, the United Steel Workers were in no position at all to prevent mill closures and USS’s virtual departure from the Mon Valley. The labor lawyer, activist, and sociologist Staughton Lynd described the importance of solidarity in union power and noted how the forces that once strengthened unions had vanished in recent years, resulting in powerlessness. His theories asserted that it was of the utmost importance for workers to bind together, since when a plant was shutting down or if the company suffered some disaster, it was an event affecting all the workers and staunch, capitalistic individualism would not solve problems. Lynd maintained that the problem with worker-owned plants was that they still had to compete with other union members of the same industry and the same union, thereby breaking solidarity.\footnote{Staughton Lynd, “Solidarity Unionism,” (speech from Select Proceedings of The IUP Conference on Industry held October 21-23, 1982 at Indiana University of Pennsylvania Main Campus, Indiana, PA), 1-3B.}  

Workers had to, therefore, refuse to work at wages any lower than those set by industry-wide union negotiations. Lynd claimed that American labor had for far too long assumed that labor and management had essentially the same interests. Unions had faith in management to
make important decisions while labor took care of the daily work in exchange for higher wages, better benefits, and non-strike agreements. Disinvestment was a problem beginning in the mid-70s, and post-war agreements proved highly problematic for labor. Such concessions were based on too narrow a viewpoint that traded control of hours and conditions for long-term and far-reaching company decisions. That sort of business model operated for a couple decades and caught unions off-guard when the company suddenly announces its closure. According to Lynd, unions needed to return to fighting and striking. World-wide solidarity in the steel industry would, furthermore, raise wages in other countries, putting their costs closer to the US’s, while uniting union leadership with rank-and-file membership and current workers with retired ones. In the absence of that cooperation, steel had no future in the Mon Valley.\footnote{Lynd 5-10}

Jim Benn, a prominent Tri-State organizer, likewise testified to the unions’ failings. A former Duquesne Works employee, Benn declared that “this is a time of real challenge for [steelworkers] because many of the basic truths about America, about community, and about the strength of their union that nurtured them, now appear to be anachronisms.”\footnote{Jim Benn to Bernard Demczuk, August 24, 1987, Box 5 Folder: “NRC/Plant Closings Proposal,” Archives Service Center, University of Pittsburgh.} While Benn and his colleagues were angry at Reagan and big corporations, blaming them for the industrial collapse, they maintained that while government and private entities were the cause of the Mon Valley’s problems, they were not the solutions. Labor organizers were, but because USW was a fading entity, Benn was pessimistic about the union’s ability to save anything.\footnote{Benn 2}

By the late 1970s steel companies were adamant about labor concessions, a business approach that USW international officers accepted but union locals opposed. The Experimental
Negotiating Agreement resulted, which prohibited strikes in exchange for wage increases. Blinded by their apparent gains, unions passively permitted companies to engage in policies of "creative destruction" that led them to search for profits elsewhere, rather than focusing on what they already had. Consequently, the steel industry shifted to other locations, leaving Pittsburgh communities destroyed.116

John Hoerr, a long-time labor journalist, believed that deep-rooted conflicts between management and labor were "the problem in steel." Management, he felt, had a condescending, narrow, and unjustifiably generalized view of what labor was, which fostered an culture of mistrust and disrespect. After the massive 1959 steel strike that lasted almost four months, there were no significant labor movements for decades. Subsequently there was no radical cry for change and improvement in the steel industry, so by 1980 all hope was lost.

Hoerr denounced management as having not changed drastically since the 1930s. The union leader, meanwhile, had to maintain radically polar positions on issues lest he be labeled a "sell-out artist." The average worker was trapped between union heads and company executives feuding over who made decisions, and no one every agreed. Hoerr attributes "the decline of the steel industry- its poor profit showing, decreasing productivity, and lack of investors" to an atmosphere of warfare between labor and management. These apparent failings "should have galvanized both sides to focus on the mutual interests," but labor and management remained militantly immobile and watched instead as their problems devoured them.119


117 Hoerr 20

118 Hoerr 23

119 Hoerr 23
also recognized the labor-management gap, noting that there were approximately nine levels in the corporate hierarchy separating David Roderick from the mill floors. It was, therefore, nearly impossible for those most experienced with steel’s basic problems to communicate their frustrations and ideas to the only men able to make key decisions. Tri-State’s tentative plans included a minimization of hierarchy, which was not some utopian dream but rather existed in the highly efficient plants of Japan. Communication was effective and decisions were made quickly and cooperatively.\(^{120}\)

The cost of labor was the key point of contention between labor and management throughout the 1980s. David Roderick claimed that wages were not historically a problem for steel but due to other modern economic factors it was possible that “union leaders were guilty of over-reaching and […] maybe management was guilty of over-granting,” which was “a problem for our employees.”\(^{121}\) The CEO also acknowledged that his Marathon Oil purchase may have embittered unions who refused to make concessions. When major steel producer LTV declared bankruptcy in 1986, USX used it as an example as to why the industry needed to be concerned about cutting costs. It subsequently turned to unions and told them that their wages needed to be lowered. USW President Lynn Williams responded to the industry-wide effort to negotiate wage decreases that “[p]atterns should not be set by bankrupt companies.”\(^{122}\)

Labor had reason to distrust management when it “cried wolf” and urged unions to take wage cuts. In the early and mid-70s the American Bridge Company, a division of USS, halved its workforce but later demanded that workers accept wage freezes anyway. After USW voted

\(^{120}\) Erikson 38


\(^{122}\) Jim McKay, “No one’s blinking: USX, union toughen stands in reaction to LTV bankruptcy,” *Pittsburgh Post-Gazette*, October 2, 1986.
overwhelmingly against accepting the cuts, USS cut American Bridge, laying off 13,000 workers. International President Lloyd McBride had urged union membership to accept the concessions, illustrating the gap union heads and the rank-and-file. American Bridge proved that there was a difficult balance between knowing when to make concessions and when to fight.¹²³ A former vice-president of USW, Joseph Odorcich, remarked that “one of the problems in the mills is no union man would trust any of the companies. To the average union man, they’re always crying wolf. And the wolf finally came.”¹²⁴

Their power culminating in the 1950s, unions utilized their influence at the negotiating table to win short-term victories in wage and benefit increases. The trade-off was long-term plant modernization and company infrastructural changes that would increase industry competitiveness. Workers developed a sort of complacency, and by the 1980s, union men saw layoffs as a common phenomenon, the bitter truth of the steel business. Ordinary workers could not predict the ultimate demise of their careers, so when the industry’s collapse became imminent and visible, their efforts focused on extending the period that former workers could collect unemployment benefits. The Mon Valley Unemployment Committee arose out of the need to lobby on behalf of laid-off steelworkers, reaching out to Congress and helping negotiate mortgage refinesances. Their strong efforts to help the unemployed regain their footing aroused the United Steelworkers of America’s distrust, who believed the Committee to be undermining and circumventing existing union leadership. As such, the union elite refused to cooperate. The Mon Valley Unemployment Committee’s efforts were therefore meager but earnest. They established food banks and a help hotline for the unemployed. With the support of those still


¹²⁴ Hoerr 23
working in the mills, the Committee arranged for a percentage of those salaries to be allocated to a fund geared toward meeting the jobless’ needs. While bank foreclosure spread like a fungus throughout the Valley, and by 1982 US Steel had laid off half of its Pittsburgh-area workers, the MVUC rallied union members who felt ignored by society. Reagan, they claimed, was helping the rich benefit at the poor’s expense, so the MVUC worked to mobilize, at least in spirit, the local business and public officials who suffered along with the entire region. The Committee compared their fight against government and big industry to that of the Great Depression, except that the rich lost nothing. Yet again, while the jobless and their advocates were armed with a strong sense of morality, the banks wielded capital power and could therefore not be conquered.\textsuperscript{125}

Union men’s attempt to rectify this monetary imbalance was well-considered but ineffectively mobilized. Labor studies found that there were widespread misconceptions about control over pension funds. The AFL-CIO cited research findings from a non-profit group in New York City, Corporate Data Exchange, which had done a study in 1980 on Fortune 500 companies that reported that single-employer pension funds were not necessarily controlled strictly by that company. In about one-third of the nation’s most powerful businesses, one of which was US Steel, various employee investments were among the top five biggest shareholders. In 69 of those companies, employee savings constituted the largest stockholder, sometimes by a very significant margin. Despite this incredible potential for power, union leaders were wary of keeping “all of their eggs in one basket,” noting that workers could lose all their savings if the company were to go under. Federal laws also required a diversity of employee investments, preventing workers from investing heavily in their own companies.

\textsuperscript{125} Hathaway 132-7
There were easy ways to work around such restrictions, but nonetheless unions often contributed to their own demise by failing to take advantage of such potential powers.\textsuperscript{126}

The AFL-CIO was keen to point out that pension funds were enormous among industrial workers, expecting that their more than $500 billion in assets would double in possibly fewer than five years. The possibility for worker-run steel mills existed, but that Marxist ideal of “ownership of the means of production by workers” could not be realized as long as banks retained control of worker investments. To make matters worse, Bethlehem and US Steel put their funds into bank stocks, who in turn invested in foreign steel companies. According to Ray Rogers of the Amalgamated Clothing Workers, “[o]rganized labor, is just now realizing it has incredible economic clout…This new awareness could be the start of a social, political, and economic upheaval in this country.” Businessmen and politicians were beginning to sense the tremendous power of pensions and other employee investments, and forecasted an escalating battle over how such capital should be handled in years to come.\textsuperscript{127}

In 1980 steel employee pensions, between USS and Bethlehem Steel, totaled $133 million.\textsuperscript{128} Employees had grown accustomed to handing the control of their assets to professional investment managers. Banks, as trustees for employee shareholders, would vote on behalf of the union at board meetings. Rather than voicing their own concerns, unions allowed entities such as J.P. Morgan and Mellon to represent their financial interests. The resulting picture was one of highly concentrated power that either “reflects rational economics, or the self-

\textsuperscript{126} \textit{LABOR & INVESTMENTS: The publication on Labor, Pension And Benefit Funds, And Investments}, Vol. 1 No. 7, September 1981, 1-5.


\textsuperscript{128} W. Holland, “Is Greater Pittsburgh a Mellon Patch?,” \textit{Pittsburgh Town Crier}, October 1983.
interest of a few rich shareholders." To make matters worse, banks such as Mellon, Citibank, Chemical, and Wells Fargo loaned $593 million to Japanese steel companies that year. Mellon’s own figures stretch into the billions when including loans to China, Taiwan, and parts of Europe. Pittsburgh National Bank, too, was among a group of banks signing off a multimillion dollar loan to China Steel, showing just how important employee pensions were to the steel industry, albeit not necessarily to that of the Mon Valley.130

In spite of their numbers and potential for economic power, the unions suffered from their fallout with steel company management. In 1982 Pittsburgh steel mills were operating at about 30% of their capacity, reaching levels perilously close to those of the Great Depression. For the average steelworker, life in the Mon Valley meant trading socioeconomic advancement opportunities for what was perceived as a stable and secure way of life in the steel mills. The steel industry beached forth Pittsburgh youth, where their part-time summers gradually evolved into full-time years, broken up by the occasional strike or temporary layoff. Steelworkers understandably felt a sense of permanence at the mills, for whom such periodic setbacks were offset by the successes of good times with high wages. Even for one steelworker who put himself through college and earned a master’s degree in mathematics, the steel mills offered a better living after many years of labor than his University of Pittsburgh diploma. For average union men like he, deindustrialization was almost impossible to predict, and even harder to combat once it stuck.131


131 Holland
The sooty plumes from steel mill smoke stacks gradually dissipated, yet a few citizens of Pittsburgh began choking on a different odor- that of rotting fish. As the steel industry in the Mon Valley declined throughout the 1980s, a few of the unemployed took it upon themselves to strike back at the members of the corporate elite whose heartlessness and greed had evaporated the Valley’s wealth. Armed with dead fish and grassroots righteousness, jobless Pittsburghers left the foul meat in safety deposit boxes at local branches of Mellon Bank. The tactic, known as “smellin’ Mellon,” was unfortunately insufficiently malodorous to bring Mellon officials to their knees. While other union members and sympathetic community organizers mobilized themselves in more sophisticated manners in a widespread effort to save their towns from economic destruction, these individuals represented the lowest rungs on the socioeconomic ladder, and lacked the capital and ability to effectively resist deindustrialization.132

The Denominational Ministerial Strategy, or DMS, constituted the lowest level of grassroots organization aimed at advocating for unemployed steel workers. Led by local clergymen who were at the frontline of community disintegration perpetuated by the closing of steel mills, DMS sought press attention by engaging in such tactics as “smellin’ Mellon.” In a notice issued by the West Virginia Synod to its Western Pennsylvania members, DMS denounced the evil union of “the devil and Mellon Bank,” claiming that “slick high priced law firms” were enabling the Bank to “very legally” commit moral crimes against the Mon Valley. DMS rallied the members of its various communities to withdraw their accounts from Mellon Bank, the financial entity that it repeatedly blamed for all of the greater Pittsburgh area’s woes. By 1983, the organization reportedly had won $30 million worth of pledges that would be moved to other banks who would invest in the Mon Valley, “for the sake of jobs and the families.”133

132 Hathaway 49-80
For DMS organizers, the issue of deindustrialization was a matter of faith. According to the Reverend and chairman, Paul L. Himmerman, DMS was not an organization but rather a movement operating under the scope of the Church and the Bible. For layman member Charles Honeywell, the Gospel “command[ed] us to act.” After confronting government and corporate officials who refused to mind the plight of the unemployed, DMS decided the only reasonable thing it could do was strike back, beginning Mellon Bank. Seizing Mellon letters, pamphlets, and advertisements, DMS members rewrote the publications as propaganda, casting the Bank as a wicked entity that did not care about the unemployed and only sought to make the rich richer and the poor poorer. DMS then produced its own newsletters and research papers, taking aim at US Steel and Mellon Bank, citing employees of one who served as board members of the other and generally highlighting what they perceived as the unholy conspiracy of Pittsburgh corporate elite to hoard the city’s wealth at the expense of a crumbling steel industry.  

Despite their noble intents, DMS members often employed ire-raising devices to gain public attention. In a few instances DMS would burst into the Sunday sermons attended by prominent bank officials, disrupting the service to denounce corporate evil. Rather than gaining sympathy for the unemployed, DMS irritated the rest of Pittsburgh. Indeed, their publications that attempted to vilify big companies glued together terrible syntax and grammar with raw anger. Such ill-written letters lacked any logic or sophistication, and did not serve to advance any DMS causes. Furthermore, fighting within the movement worked to destabilize DMS and alienate otherwise sympathetic members of the religious community. According to the Pittsburgh Post-Gazette, the organization did not have support from Methodists, Episcopalians, and Presbyterians, who claimed they felt unease from DMS publicity stunts. Internally unstable

133 Hathaway 56
134 Hathaway 78-80
and publicly ridiculed, the Denominational Ministerial Strategy did not have much of a fighting chance against the mighty titans of Pittsburgh industry.\(^{135}\)

Mellon, in reality, was more of a scapegoat than a villain for the failing steel mills. DMS made the bank into a symbol of corporate treachery, and Mellon countered that, despite their commendable concern for the unemployed, the minsters did not comprehend economic realities. US Steel did not approach the bank for loans, nor did DMS. Mellon simply did what was financially pragmatic, as a senior bank official lamented that could not “turn back the clock and bring back the steel industry.”\(^{136}\) Mellon denied that it could use its economic sway to save steel, that one large business could not control the entire region’s economics. Even some DMS members quietly admitted that Mellon did not hold a financial monopoly over Pittsburgh. The bank was much more influential in community development in the immediate post-war decades. Even unions had to criticize DMS. One director said that it was absurd to think that banks could suddenly take all their money and gleefully invest in the failing steel industry, and “[i]f you believe they are going to do that, you just fell off a Christmas tree.”\(^{137}\) DMS was indeed barking up the wrong tree and in doing so ignored the real problems facing steel.

Deindustrialization caught much of the general population off-guard, as California Newsreel interviewed Pittsburghers who were shocked that after so much time the mills were closing. Americans had put their trust into large businesses for their quality of life and US Steel once provided the best blue collar jobs for men and women. One husband and wife couple, former employees at Mesta and Homestead, respectively, described themselves as republicans,

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\(^{135}\) Hathaway 80-90


\(^{137}\) Hoyt
insisting that they never expected to get anything for free from society. But then “you let
someone live the same way for thirty years then you go pull the rug out from under them,” there
is little left for an honest American to do.\footnote{The Business of America} An old priest spoke of Americans trust in the
capitalist system, people who sent their sons off to Vietnam and loved America. For Mon Valley
residents, the United States Steel company, the nation’s first billion dollar corporation,
represented opportunity. It was trusted to make the right investments for communities, so food
banks were in complete shock when steel workers began lining up for meals.\footnote{The Business of America}

For the greater population, however, steel meant smoke and pollution. A Washington
Post reporter celebrated as early as 1980 that Pittsburgh was “no longer even the Steel City.”\footnote{Kornheiser, Tony. “Sports Just the Icing On This Town’s Cake.” The Washington Post (1974-Current file), January 13, 1980, http://www.proquest.com.proxy.libraries.rutgers.edu/ (accessed February 28, 2012).} The dusty shot-and-a-beer mill towns were “by no means half as glamorous” as the polished city
itself, which renewed by deindustrialization was a photographer’s dream. A steel-free Mon
Valley was, for outsiders, quaint and blissfully reminiscent of America’s lost blue collar roots.
Its scruffy residents charming and rusting mills nostalgic, Pittsburgh’s only strong appeal to the
general public was its champion Steelers. While the nation’s attention was fixed on Terry
Bradshaw, Rocky Bleier, Franco Harris, and the rest of the black and gold, the namesake steel
industry was forgotten and abandoned.\footnote{Kornheiser N1}
Conclusion

The policy decisions made by government, public, and private entities by nature tend to diverge, but this was especially true as the Mon Valley deindustrialized in the 1980s. Its principle corporation, US Steel, later changing its name to USX, was designed to be a monopoly and never made infrastructural changes necessary to adapt to rising wage costs and global competition. Facing high modernization costs and a fluctuating international demand for steel products, the company chose to relocate its assets. To maximize investment returns, always USS’s bottom line, CEO David Roderick transformed the ailing steel titan into an energies, chemicals, and real estate company, shutting down virtually its whole steel operation in the Greater Pittsburgh region.\(^\text{142}\)

Reluctant to meet their problems head-on, USS and other corporations relied on government crutches to oust foreign competition in the United States. The federal government, however, particularly in the era of Reaganomics, was reluctant to tamper with natural economic forces. Government policies focused very seriously on defense spending, letting other areas of the country’s economy tend to themselves, raising the ire of both private companies and the general public alike.\(^\text{143}\)

Public entities such as USW, Tri-State, DMS, and others fought to preserve their ways of life through the Pittsburgh steel industry, but found that they lacked the solidarity, capital, and sway of governmental and corporate organizations to preserve Mon Valley steel. Unable to coordinate efforts to transition mills to worker-run facilities, the public could not fight

\(^{142}\) Hoerr

\(^{143}\) Hoerr
against lax government regulations and the rapid movement of investment to other regions and industries.\textsuperscript{144}

Homestead, Pennsylvania, once the quintessential steel town where blue collared “hunkies” would return from work in the mills, ending their shift with an Iron City beer, no longer churns out the metal that built the nation. A glitzy shopping mall and movie theater occupy the spot on the Monongahela River where men used to work. Further up the highway across the river sits the empty Carrie furnace, rusting and abandoned. Then, southward in Braddock, the main road heading toward the Edgar Thompson Works is lined with old brick buildings, all empty and forgotten. For-sale signs adorn most of the dusty windows, and the only signs of life are the glimmering unemployment offices and a small playground across from a Byzantine church. Edgar Thompson is a shadow of its former self, eerily quiet. A few rows of parked cars lining the road are the only indication of production. The steel industry is gone from Pittsburgh, and the governments, corporations, and ordinary Americans who once served it have moved on.

\textsuperscript{144} Hoerr
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