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National registration reform would incorporate poor whites and minorities more fully, and the Democratic party would experience intensified pressures to intervene in social and economic life on behalf of these new constituents.

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New Prospects for Voter Registration Reform

Frances Fox Piven and Richard A. Cloward

In May 1987, the Minnesota legislature enacted a model bill. It requires that state employees in all agencies doing business with the public ask people whether they are registered, and provide them with needed assistance.



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Steel Busting in the West

by Warner Woodworth

On April 25, 1986, Congressman Barney Frank (D-Mass.) launched a House investigation on imported steel and the plight of the American worker. Frank, chairman of the employment and housing subcommittee, focused the hearings on USX's plans regarding the Geneva Works in Orem, Utah. The first witness to testify was Dennis Holdaway.

Holdaway didn't start his career at U.S. Steel 22 years ago with the thought he would be laid off in 1985. Yet, with hindsight, the stocky president of the steelworkers' Local 2701 did sense an impending doom that is "like having cancer." The plant's employment had been withering away for five years.

His beard prematurely gray at age 38, Holdaway began work in the blast furnace as a laborer after graduating from high school in 1965. Wages then were \$2.60 an hour, but after seven years, Holdaway got an apprenticeship. Becoming a journeyman was definitely a step up and practically guaranteed good money for life. The dream ended when Holdaway was laid off and had to give up his position as union president.

Unlike other steelworkers, Holdaway decided there was no future left in steel and began to look for other jobs.

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But the Utah bias against unions and low wages forced him to search outside the state. He is still out of work.

Holdaway isn't alone in his quest; some 2,500 Geneva workers preceded him into unemployment. And his family is intimately affected by USX's actions. The steel tradition includes his father who helped build the Geneva mill during World War II. His wife's father led the unionization of the plant in the late 1940s. Today, two older Holdaway brothers, one a welder, the other a rigger, are the only family job survivors.

The children of Dennis and Carol Holdaway, like their parents, were born and raised in the shadow of the Geneva Works, only a few doors from Grandma Holdaway. Since the layoff, Dennis has had to sell his home and move in with his mother to cut costs. Although it was a humiliating move, it meant survival. If and when another job does materialize, the move will mean leaving Holdaway's widowed mother and mother-in-law. But, at least, his two brothers still had well-paying jobs to care for the elderly Mrs. Holdaway.

Then in late 1985, USX announced plans that would spell eventual doom for the Geneva workers and the rest of the Holdaway family. "They milked the cow until it got dry, and now they're going to send it to the glue factory," says the ex-steelworker. His poignant story is simply one of many personal tragedies flowing from the latest USX casualty list.

THOU PROTESTETH TOO MUCH

In November, 1984, a Brigham Young University study, *De-Steeling: The Fall of U.S. Steel and Its Implications for Utah*, predicted that the Geneva Works in Utah County would soon close. The research showed all the warning signs of an eminent closure: trickling layoffs, aging workforce, production speedup, demand for concessions, liquidation of inventories, poor maintenance, and disinvestment in new technology.

The report was heatedly denied. USX flew executives in from Pittsburgh and put on a media blitz claiming a long-term commitment to the state. Accompanied by Geneva top management, they pressured university administrators to disown the study.

When the board of the Provo Chamber of Commerce voted unanimously to adopt a recommendation from *De-Steeling* to create an area-wide task force that would explore options in case of Geneva's demise, steel executives again came down hard, not with brass knuckles but with a briefcase full of money. They informed community business leaders that USX had been prepared to donate \$10,000 toward the Chamber's new building, but, given present criticisms, such a contribution would not be forthcoming. The board, at its next meeting, reversed itself and by a narrow vote threw out the earlier decision to act. One Chamber official who pushed hard for the task force criticized the re-

versal as "sticking the community's head in the sand." Others wondered if it wasn't just a cheap bribe.

Government officials also felt the heat from USX. David Grant, deputy director for state economic development, heaped lavish praise on management and defended the company because "Geneva has doubled production with half its workforce." Things had never been better, he asserted.

Company rhetoric over the next few months was consistently positive about the Geneva Works:

- Talk of a shutdown is "much ado about nothing" (Jack Bollow, public relations, U.S. Steel, November 1984).
- "We've always been profitable (at Geneva and its sister plant), largely due to the workers...we have no intention of leaving" (David Roderick, chairman, U.S. Steel, May 1985).
- "We have no intentions of leaving the steel business. . . . We will not abandon Geneva for greener pastures. . . . We have a responsibility to the community" (Thomas Usher, senior vice president, U.S. Steel, June 1985).
- "The reports of our death are greatly exaggerated" (Warren Bartel, general manager, Geneva Works, Fall 1985).

These and other denials intimidated a growing defensiveness and collectively implied that the *De-Steeling* report had hit home. Finally, in December of 1985, USX admitted it would be curtailing operations at its Geneva Works over the next several years. Bartel, the plant's executive, hasn't been heard of since. State officials were mum at first. Eventually Governor Norm Bangerter managed a weak, "We appreciate knowing about this in advance so we can get prepared."

REQUIEM FOR STEEL

Actually, no one except naive Utahns should be surprised at the closure. USX has shut down over 70 steel-related operations in the past two years alone. Facing a changing economic environment, Big Steel chose to insulate its headquarters from outside pressures. It poised cocoon-like while foreign competition made massive in-

roads into the American market. Anti-pollution regulations were introduced, labor costs soared, non-union mini-mills rose from 3 percent to over 20 percent of the domestic market. Raw materials became more costly.

For years, USX responded to these emerging problems by ignoring them in the hope they would simply disappear. An issue of *Fortune* magazine listed USX as one of the three "least innovative" major firms in the country, based on a national survey of business leaders and consultants. The company's management culture might best be characterized as a slow, sluggish corporation suffering from decades of status quo and short-sighted leadership. In contrast to Peters and Waterman's best-selling *In Search of Excellence: Lessons from America's Best-Run Companies*, if a book were to appear on USX it might appropriately be titled *In Search of Disaster*.

When paralysis didn't succeed as an implicit strategy, USX shifted into an escapist mode. "Rationalization" became the operative work — shutting down mines and mills, laying off thousands of workers, decimating entire communities. The typical pattern consists of extracting profits for Pittsburgh and, when a plant has been bled dry, pulling out. The ripple effect on secondary jobs and businesses is usually considerable, accompanied by a declining tax base and hefty unemployment and retraining payments. In effect, the public pays for industry's sins. As joblessness surges upward, the social correlates also rise: family stress, drug abuse, and health problems.

Now what is unusual in Geneva's case is not that the litany of shutdowns by USX continues onward, but that it has spread beyond the East and Midwest to the Rocky Mountains and the nation's high growth states. Utah County is not a traditional labor area. Up until now, the last time USWA Local 2701 even put out a picket sign was back in 1959.

A half-dozen small towns make up the bulk of the region's population, with plenty of farm land in between. Settled originally as part of Brigham Young's pioneering efforts in the late 1800s, the area today is an island of faithful adherence to Mormon religious ideals and quiet, conservative politics. A frontier

ethic of trust and mutual cooperation pervades the valley, making it a great place for USX to exploit local residents.

"Exploitation" may be too nice a word. Utahns think they have a kind of long-term love affair with Big Steel, not realizing it has really been a slow rape. Utah Valley has seen its profits ripped away, workers intimidated by forces of managerial duress, and the general public deceived. Yet like most rape victims, Utahns are silent. No one seems willing to report the crime, press charges, or point their finger at the perpetrator of this regional act of aggression.

THE GREAT U.S. STEAL

A unique feature about the abandoning of the Geneva Works is that the plant is being dumped so the parent company can consummate a new deal with South Korea. USX has adopted the old adage, "If you can't beat 'em, join 'em." Foreign steel has penetrated 60 percent of the western states' market. Apparently Big Steel finally decided that rather than lobby for protective restraints, it would be more profitable to join the "enemy."

So Pohang Iron and Steel of South Korea was invited to buy half of USX's finishing facility in Pittsburg, California. The Pittsburg plant, near Oakland, had been the major customer of the Geneva Works, receiving up to 70 percent of its product annually. Geneva was originally built during World War II, far enough inland to avoid the "danger" of foreign invasion. It now appears the mill wasn't built far enough inland after all. The irony is that Korean slabs have already begun arriving at the new Pittsburg dock, making the invasion a sure success.

For steelworkers across the nation, this new joint venture between their company and Korea is a serious contradiction. In past years, workers and their communities lobbied in Washington, D.C., to obtain protective tariffs. Fueled by corporate promises, relief was forthcoming in various ways. The Reagan White House did little, however, except make a faint-hearted attempt to get "voluntary restraints" from foreign steel producers. Now that such efforts are obviously not working, Pittsburg has decided to jump ship.

What infuriates many Utahns is that

USX picked Korea to get in bed with. Merlin Johnson, a 30-year-employee at Geneva, recalls how local managers pushed workers to write the White House about the problems caused by foreign steel. Now the Pohang agreement "is a slap in the face," says Johnson. Local 2701 officials call it "betrayal."

Many California workers may not escape unscathed either. Despite Big Steel assurances that jobs at the Pittsburg plant will be secure "well into the next century," the hard realities suggest otherwise. Dan Gutierrez, financial secretary of Local 1440 in Pittsburg, claims "there's no credibility whatsoever with U.S. Steel . . . There's no question in my mind that employment is still going to be reduced." Of the 1,100 jobs currently in existence, workers fear as many as half will disappear with the advent of state-of-the-art, computerized technology and Korean management methods. There is a high likelihood that demand for wage concessions will be next, according to many California workers.

At the end of 1985, USX announced it would acquire Texas Oil and Gas, a \$3.6 billion deal that reeks of the same odor as the Marathon Oil purchase four years earlier. While pumping billions of dollars into new oil ventures, USX has pled poverty to explain why it wasn't investing in new technology for Geneva. Observes Utah Congressman Howard Nielson, "They said they didn't have the cash to modernize, then they negotiate with Korea. Their position has been hypocritical." The company continues to shift away from its steel-making origins, a direction particularly offensive to steelworkers.

Worse in the eyes of Geneva workers still is the Pohang decision that means one of the world's lowest costing producers will supply 40,000 tons of hot rolled steel this year to California. That amount will grow to a million tons annually by 1989. Two years ago, USX tried to supply its Fairless Pennsylvania Works with British steel, but the union rebelled and the deal fell through. With the all-too-nice workers in Utah, militant resistance is unlikely.

Kay Mitani, vice president of Local 2701 in Orem, Utah, says the joint

venture smacks of "colonization" of American workers and the steel industry. What irks labor leaders is that they agreed to concessions in 1983 so Geneva could modernize. No investment was made. Instead, work was contracted out, labor was laid off, and other sacrifices were made, "all in good faith." Just several years ago, Local 2701 was the largest labor local west of the Mississippi River with over 5,000 workers. Today, its numbers have shrunk to less than half that. The Geneva plant is now 40 years old and has severely deteriorated over the last decade, suffering from inadequate and unsafe maintenance practices. And while the plant was declining, high-level profits were reached, and new production records were continually being achieved.

Roderick asserted in a press conference a year ago that, "The workforce at Geneva is one of the best work forces in the United States. The people are good people. They are hardworking. . . committed to the survival of that mill." The community also had been told by Bartel, "We have the best workforce in the domestic industry. . . dedicated, professional, highly efficient. . . No one's going to walk away from a steel plant that's making money." Yet after taking some \$100 million out of Geneva in the recent past, walking away is precisely what USX plans to do.

In August 1986, USX shut its gates on 22,000 U.S. workers. The 184-day work stoppage was the longest in the history of American steel. USX called the action a "strike," but had, in reality, been stockpiling steel and preparing for a lockout during the previous year. The winter of 1986-87 was a long, cold one for steelworkers and their families. Many workers could not even obtain unemployment checks because states like Utah initially ruled the work stoppage a strike. Pressure from Local 2701 leaders and a flood of protesting letters eventually led to a reversal of the state's decision, culminating in \$2,700 retroactive checks to ease the burden of the lockout.

In January 1987, after ratifying a new contract that included significant concessions, workers began returning to mills around the country. However,

on February 14, USX dealt Utah steelworkers the final blow. As *De-steeling* had predicted, Roderick announced that Geneva would not reopen, blaming the lengthy labor dispute as a primary reason for the closure.

Since this past spring, several firms have expressed interest in acquiring the old mill and operating it on a much reduced basis. One organization is currently negotiating a deal with USX and attempting to obtain financing, although several deadlines have come and gone. When and if an agreement is reached, the reality is that only a few hundred jobs will be available. Whether the firm is a legitimate enterprise, or merely a front for USX to relieve the corporation of environmental and pension liabilities, is a much debated question in the local community.

PROBLEMS IN PARADISE

Many Utahns have considered their valley Zion, a healthy, quiet, little oasis free from the problems of the outside world. Whether or not the image has been valid in the past, it is presently in a state of flux. As Geneva disintegrates, there has been growing unemployment, community tensions, family abuse, alcoholism, and a rise in crime. Local officials worry that "Happy Valley" is no longer quite so joyful.

Geneva's demise has exacted a heavy toll: at least 6,000 jobs, the closing of 40 to 50 businesses dependent on the steel mill, the slashing of a \$100 million steel payroll, a drop in property and sales tax revenues, and the loss of goods and services purchased in the county. The sum total means \$252 million yearly taken out of the local economy. While that is a huge amount for little Utah Valley, you can bet that absentee owners back East do not hold any misgivings about the social and economic disaster now suffered in Utah. As Roderick bragged to *The Wall Street Journal* about USX, "We are not a welfare agency."

Distant executives at USX headquarters simply pushed an economic remote control button and their decision hit Utah like a thunderbolt. Just a week before the Pohang announcement, 50 more Geneva workers were laid off. But if one looks at recent years, a clear pat-

tern emerges: USX hits some community at the end of every year. Said one Utah researcher, "Pittsburgh lays a turkey on someone every Christmas, and this year Utah got the bird."

As Geneva faces the present shutdown, "for sale" signs have appeared throughout neighborhoods in towns like Lindon, Pleasant Grove, and American Fork. Utah has witnessed more major closures in the past several years than at any time since the Great Depression. Sohio closed the nation's largest open-pit mine, Kennecott Copper Company near Salt Lake City, eliminating a total of 7,000 jobs. Other mines in southeastern Utah have closed and laid off thousands of workers. Many farmers are going under. The one-company town of Nephi, Utah, saw its rubber plant shut a year ago, followed up north by McNally Steel, a fab shop with 350 workers. Construction companies, three trucking firms, and even high-tech enterprises are also calling it quits.

Jobless figures are above the national average in the state as a whole, and a number of counties suffer 18 to 25 percent unemployment. More people move out of Utah than enter each year as young people are forced to look for jobs elsewhere. For those who remain, the picture is grim. Bankruptcy petitions in the state increased to a record 28 percent in 1986. Governor Bangerter engineered the largest tax increase in the state's history just to keep afloat. The state has slipped to 48th in per-capita income. In the early 1980s, Utah Valley was one of only six regions in the nation to actually suffer a *decrease* in income, and now that Geneva has closed, it may be the country's worst. Currently, 19 percent of Utah County residents are officially poor by federal standards, leading to what some experts are calling the "Utahnization of poverty."

The state has become a cash cow that corporate outsiders come in to milk. When the cow is dry, the state is abandoned as companies move elsewhere. Impersonal, aloof executives whose priority is maximizing profits tend not to be interested in nursing the cow back to health or improving the competitive edge. Utah economic development officials were caught flat-footed by USX's closure. They also displayed an insensitive degree of arrogance in asserting that

steelworkers will be "absorbed by new business growth." For one thing, such statements ignore the personal pain, financial anguish, and socio-emotional disruption that will occur in the lives of thousands of Utah families affected by economic dislocation.

For another, the idea of absorption is just plain wrong. The only way for a Geneva steelworker to be fully "absorbed" is to obtain another job at \$24/hour. A look in the local "want ads" reveals the problem. The few open positions average approximately \$4.50/hour. To maintain economic stability in the county would require 10,000 new jobs simply to replace USX wages. However, a mere 6,100 jobs statewide emerged in the past 12 months. Personal living standards for some families will decline by 80 percent (unless, of course, ex-steelworkers can work five new jobs at 40 hours a week each).

State economic development bureaucrats have centered their strategy on the assumption that outside firms hold the future for Utah. They have spent most of their time and taxpayers' resources on expensive junkets such as a trip to Detroit, where they tried to land GM's Saturn plant, not realizing they weren't even in the running. A large contingent of officials flew to Canada to bid on the 1992 Winter Olympics. In 1987, the state spent a million dollars on a chase for the supercollider. Big dollars have been poured into trips to the Orient to seek new business deals with Pacific Rim countries. All to no avail. One wonders why the governor didn't take the time to drive 40 miles south of Salt Lake City to sit down with USX officials and work out an economic development plan for Geneva.

No wonder quiet, conservative Utahns are beginning to complain. Bangerter has been heckled at speeches and faced by mass marches on the capital building. Protest groups are organizing to seek a recall and/or tax cuts. Opinion polls show Bangerter's popularity has dropped to an unprecedented low, forcing the state's Republican party to begin searching for a more acceptable candidate in this year's election.

AN AGENDA FOR CHANGE

Utah trade unionists are not sophisticated when it comes to combatting dis-

tant capitalists. The militancy of Hormel meatpackers and the Phelps-Dodge copper workers are a far cry from passive steelworkers along the Wasatch Front. Other community organizations have rallied to support labor in the Mon Valley where ministers marshalled their congregations, designed pressure tactics, and went to jail.

What is needed is the mobilization of progressive groups around the nation to launch a support strategy in Utah. The state has seldom witnessed picket signs and marching protesters. Labor militancy died with the execution of Joe Hill over half a century ago. The one-party domination by Republicans has locked up most of the political debate.

National groups from the left are vital to steelworkers' efforts for saving the Geneva Works. New voices must be raised, new proposals must be advocated, new agenda should be formulated. The Campaign for Economic Democracy and the national DSA could suggest socioeconomic options. The organizing methods of Ray Rogers and/or Midwest Institute need to be brought to bear in mounting a community-wide effort. Visits and calls to action by Staughton Lynd, Michael Harrington, and Jesse Jackson are essential. Maybe even a Springsteen benefit concert could become the trajectory for action.

Community activists are critically needed in the West, providing help and a pro-active stance in dealing with industrial decline. While many states, especially in the East and Midwest, have much experience with plant shutdowns and mass layoffs, Utahns are unfamiliar with the resulting economic and social problems. There is too much inertia, uncertainty, and fear.

A new social contract needs to emerge that would undergird an effective, long-term commitment to steel renewal. USX has passed from dynasty to dinosaur. The Utah limb of the megacorporation needs to be broken off and grafted to the local economy. A bold plan for industrial regeneration of Utah County has become an imperative. A comprehensive takeover plan for community reindustrialization can become a reality. But such a task will require the forging of new relationships, the stretching of political muscle, and obtaining a creative vision. ■