

# Why the people of Pennsylvania and Ohio should support liberation, peace, and development in Africa (A summary of the Africa Peace Tour Handbook)

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WHY THE PEOPLE OF PENNSYLVANIA AND OHIO SHOULD SUPPORT  
LIBERATION, PEACE AND DEVELOPMENT IN AFRICA  
(A summary of the Peace Tour Handbook<sup>1</sup>)

The persistence of poverty and oppression in Africa and the multiplication of US military spending, alongside the increased poverty of growing numbers of US citizens (including those in Pennsylvania and Ohio) are two sides of the same story.

Behind US military expansion, US transnational corporations have both contributed to and taken advantage of the on-going technological revolution in production, shipping and communications to penetrate Africa (as they did Latin America in the 19th Century). After the post-World War II collapse of European colonial rule, US firms hoped to gain access to the rich mineral, agricultural resources and the lowcost labor reserves generated by distorted past economic development in the vast African continent -- a land area three times the size of the United States with a population of 500 million. In the '60s and '70s, seeming to view South Africa as an initial entry point, US transnationals poured three fourths of their manufacturing investment in all of Africa into the land of apartheid. By the 1980s, the US government had extended military support for oppressive governments from Morocco and Liberia in the northwest, to Somalia in the northeast, and Zaire at the continent's heart. It sending stinger missiles and anti-personnel mines to support the South African-supported UNITA guerillas to disrupt the

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<sup>1</sup>. For more background information, see A. Seidman, Apartheid, Militarism and the U.S. Southeast (Trenton, NJ: Africa World Press, 1990)

Angolan government, although almost every other UN member recognizes that government's legitimacy.

US transnational corporate investments in mines and factories in South and southern Africa have served to put the wages and working conditions of American workers in direct competition with those of the impoverished victims of apartheid.

By investing in South Africa, rather than at home, US firms like USX, General Electric, and Goodyear Rubber have contributed to the unemployment, anti-union policies, and lower wages that have spread through the US mid-west. Simultaneously, US military spending to help open the doors for these investments has led to cuts in the US social welfare net and hastened environmental degradation, further undermining the quality of life for many Pennsylvanian and Ohio citizens. Many of the region's young people see a military career as their only hope for the future.

An alternative strategy would be far better for both Americans and Africans. Today, the US sells about 10 times as many goods to the relatively developed countries of Europe than it does to the impoverished peoples of Africa. If, instead of sending guns to repressive regimes, the US government supported peace, liberation and development in Africa, it could open exciting new possibilities of increased mutually beneficial African-US trade. All Americans would benefit from that kind of strategy which would help to provide jobs and improve the quality of life for peoples on both sides of the Atlantic.

HANDBOOK FOR THE 1991 PEACE TOUR IN

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WESTERN-PENNSYLVANIA AND OHIO

As the Gulf war neared its end, an Iraqi scud missile smashed into a barracks, killing 10 reservists, including two women, from Pennsylvania<sup>1</sup> -- a tragic reflection of the counterproductive consequences of growing US militarism for both the third world, including Africa, and the people of the Pennsylvania-Ohio region.....

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TABLE OF CONTENTS

|  |      |
|--|------|
| Two sides of the same story: The changing international division of labor and poverty in Africa and the United States..... | p. 2 |
| The impact in Western Pennsylvania and Ohio.....   | p. 9 |
| A. The postwar collapse of mining.....   | p.10 |
| b. Abandoned factories.....  | p.12 |
| Growing unemployment and falling incomes.....  | p.18 |
| Falling tax revenues.....  | p.22 |
| Military business.....   | p.26 |
| Towards alternative strategies for peace and jobs.....   | p.29 |
| On Using the statistical appendix of this handbook.....  | p.38 |
| Statistical Appendix for states and metropolitan areas   |      |
| Area and population.....   | A- 1 |
| Population characteristics.....  | A- 3 |
| Personal income.....   | A- 5 |
| Education and money income.....  | A- 7 |
| Money income and persons below poverty level.....  | A- 9 |
| Civilian labor force and employment.....   | A-10 |
| Civilian labor force, unemployment and non-agri-cultural employment.....   | A-12 |
| Nonagricultural employment, by industry group.....   | A-13 |
| Manufactures.....  | A-13 |
| Annual pay and production workers earnings.....  | A-15 |
| Government and federal funds and grants.....   | A-16 |
| Wealthholders, federal funds and grants.....   | A-18 |
| Aid and journey to work.....   | A-19 |
| Local government finances.....   | A-21 |
| Research and development funds and farms.....  | A-23 |
| Acreage and value of farm lands and buildings.....   | A-24 |
| Value of farm land and buildings and numbers of farms.....   | A-25 |
| Manufactures (all US states).....  | A-26 |
| Mineral industries and mineral production value.....   | A-27 |

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<sup>1</sup> Don Terry, "The Families - Scud's Lethal Hit Takes First 2 Female Soldiers, New York times, Feb. 28, 1991.

Mineral production and fuels.....A-28

TWO SIDES OF THE SAME STORY: THE CHANGING INTERNATIONAL DIVISION OF LABOR IN THE UNITED STATES AND AFRICA

The post-World War II era witnessed, not only the political independence of over 50 African states, but also a far reaching technological revolution that introduced a process of changing international division of labor and rendering living and working conditions throughout the world -- including Africa and the United States -- far more mutually interdependent than ever before. In Africa, this process culminated in a crisis that has pushed the the average African's real income 25% below its level at independence. In the last decade, fueled by the US federal government's military spending (including financing arms sales to bolster corrupt regimes in Africa, as well as in the Middle East -- including Iraq<sup>2</sup>), this process also increasingly dichotomized the economy of the United States -- including Pennsylvania and Ohio -- impoverishing and undermining the quality of life of increasing numbers of Americans. Increasing numbers of young Americans, facing a bleak future in their homes states, turned to the career opportunities the Army seemed to promise.

In 1990, the Bush Administration opened a new era by sending 400,000 US troops to the Middle East -- including many from

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<sup>2</sup>. Iraq "is believed to have milked the American Government and some banks for \$3 billion in unauthorized export credits." William D. Hartung, Senior Research Fellow, World Policy Institute in New York, "Time to Curb the Weapons Makers" New York Times Forum, March 17, 1991.

Pennsylvania and Ohio -- proclaiming its desire to force Iraq to pull its troops out of Kuwait. In Africa and elsewhere in the third world, many decried the hasty declaration of war, urging greater patience in waiting for sanctions to work. Although Iraq probably used equipment shipped by South Africa's Armscor in Kuwait,<sup>3</sup> South Africa's President de Klerk offered one of the few African voices that supported the war. In contrast, a spokesperson for the South African Council of Churches and leader of the South African democracy movement -- which for years had urged international sanctions as a peaceful exertion of pressure to force South Africa's government to halt its illegal occupation of Namibia and end apartheid -- echoed the sentiment reiterated throughout the continent:

We are horrified and distressed by the decision of the United States of America and its allied forces to opt for war without exhausting all the possibilities of finding a peaceful way of getting to Iraq to withdraw from Kuwait..."<sup>4</sup>

At a cost of over \$1 billion a day, allied planes bombed Iraq back to the pre-industrial era, leaving unknown tens of thousands dead, and many more homeless, hungry and endangered by epidemic diseases.<sup>5</sup> The US Government now plans to saddle US taxpayers with the heavy additional financial burden of permanently stationing troops in the region.

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<sup>3</sup>. Financial Mail, South Africa, August 17, 1990.

<sup>4</sup>. Frank Chickane, Press Release, Johannesburg, Jan. 17, 1991

<sup>5</sup>. United Nations investigation.

The consequences of the war has spilled over into Africa. Skyrocketing oil prices not only boosted the profits of the transnational corporate oil conglomerates;<sup>6</sup> they further exacerbated the political economic crises that engulfed all non-oil producing African countries.<sup>7</sup> In addition, despite complaints about human rights abuses,<sup>8</sup> the US has restored military assistance to Kenya,<sup>9</sup> and begun to re-establish old ties

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<sup>6</sup>. Paine Webber forecast increased oil company earnings per share in the third-quarter of 1990 of from 13% to 15% (Mobil, Exxon and ARCO) to 19% to 23% (Amoco, Chevron and Texaco) to 43% (Phillips), 52% (British Petroleum and Unocal) to 212% (Amerada Hess) (New York Times, 9/18/90, cited in Dollars & Sense, 11/1990, the source of all the information in this note). The Economist commented, "Iraq's invasion of Kuwait was not nadulterated good news for oil companies, but it was the best they have had in a long time." The world lost 10% of its oil supply when the UN embargoed Iraq-Kuwait oil, but the US obtained only 3.6% of its oil from that source; US companies had high inventories; and the US government has the Strategic Energy Reserve. In any case, Saudi Arabia quickly made up the world's loss by expanding output. Nevertheless, the Big Seven (the US firms that receive over 90% of the profits of the world's top 25 oil companies) exercised their control over refineries and distribution of oil to push up prices -- and their profits. This repeated the 1973-4 case when their profits for refining a barrel of crude rose from \$4.70 to \$11.73; and the rise in profits of the 19 leading US oil companies by \$8.3 million in 1979, and \$5.3 million more in 1980.

<sup>7</sup>. The International Monetary Fund, (IMF) estimated that every dollar rise in the price of a barrel of oil adds an extra \$100 million to the annual fuel bill of the least developed African nations; across the continent, fuel costs more than doubled. (Africa News, "Gulf Costs Drain Africa" Jan 21, 1991.

<sup>8</sup>. US Legislator Warn Keny Rights Record Endangers Aid" New York Times, Nov. 16, 1990.

<sup>9</sup>. New York Times, March 12, 1991.

to the Ethiopian regime.<sup>10</sup>

For the majority of Americans, on the other hand, the price of the Middle East war includes more than the tragic deaths of American soldiers. It not only nearly doubled heating and transport costs, but also threatens to cause an unknown escalation of the tax burden. President Bush has already called on Congress for \$15 billion to cover the US share of the war costs, but whether the costs will continue to go up depends on the extent to which the other allies fulfil their pledges, as well as future US policy in the region.

In the fall of 1990, a leading US columnist observed that, in order to pay for its marshalling of troop in the Gulf, the US government

has had to hold a tin cup out to allies and friends. There could hardly be a clearer demonstration of the gap between the ambitions of our policy abroad and the weakness of its economic base at home. The same fiscal bankruptcy that makes us ask for help on Gulf costs has had devastating domestic effects.<sup>11</sup>

With the welcome end to the Cold War, Pennsylvania and Ohio citizens may well join other Americans to ask, do we not have better uses at home, as well as abroad, for our nation's obviously limited resources than to embark on a new era of gun-

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<sup>10</sup>. NY Times, December 12, 1990. Many people forget that Mengistu, the Ethiopian head of state, acquired military training in the United States -- which in those days provided military support for the then-Emperor's suppression of the Eritrean liberation movement.

<sup>11</sup>. Anthony Lewis, "Abroad at Home: When Decline Hurts," New York Times, Sept. 24, 1990.



boat diplomacy?

The 1990 Census<sup>12</sup> revealed the "devastating domestic effects" of changes over the last decade in dichotomizing our own society. Growing numbers of blue collar workers have lost the high-paying jobs and fringe benefits they won in earlier decades. Union membership has plummeted to roughly 15 percent of all wage workers.<sup>13</sup> For the most part, only top managers and scientists in finance and business, especially in hi-tech industries spurred by expanding military-related R&D, have experienced rising incomes. In 26 years, from 1947 to 1973, average US family incomes rose 111 percent. In contrast, in the last 16 years, family incomes edged up only 9 percent. More and more women, forced to take paid jobs to help support their families, accounted for most of that marginal increase.<sup>14</sup>

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<sup>12</sup>. Robert Pear, "U.S. Reports Poverty Is Down but Inequality Is Up," New York Times, Sept. 27, 1990. US Census Bureau poverty statistics recorded a 1989 poverty rate of 12.8 percent, or 31 million people. Congressman Tony Hall, Chair of the House of Representatives Select Committee on Hunger, saying the poverty line standard remained outdated and understated the problem, cited studies that put the figure 13 million higher. "With these additional poor," he said, "we're talking about one out of every five Americans living in poverty." ("Poverty Line Too Low, Congressman Says," New York Times, October 8, 1990.) Ross and Trachte also suggest that as poverty engulfs growing numbers of inhabitants in the United States, crime rates, drug abuse, and environmental degradation will undermine the quality of life for many more.

<sup>13</sup>. US Department of Commerce, US Statistical Abstract, (Washington, DC: Government Printing Office, 1989.)

<sup>14</sup>. Lawrence Mishel and David Frankel, The State of Working America (Washington, DC: Economic Policy Institute, 1990.)

Behind this reality lay the role of US transnational corporations, seeking to maximize their global profits by taking advantage of the post-World War II technological revolution to shift mining operations and manufacturing industries to lower wage areas like apartheid South Africa. In effect, they have thus put US wages and working conditions -- including those in the Western Pennsylvania-Ohio region -- in competition with those of the world's most oppressed peoples. Many researchers have documented the impact of this process on people throughout the United States.<sup>15</sup> US transnational corporate investment played a major role in building up the apartheid regime that imposed low wage labor discipline in South Africa.<sup>16</sup> From an historical perspective, they apparently viewed South

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<sup>15</sup>. Barry Bluestone and Bennet Harrison, the Deindustrialization of America, (New York: Basic Books, 1982); Peter Dicken, Global Shift: Industrial Change in a Turbulent World, (London: Harper and Row, 1986); Folker Froebel, Jurgen Heinrichs and Otto Kreye, The New International Division of Labor: Structural Unemployment in Industrialized Countries and Industrialization in Developing Countries, (Cambridge: Cambridge University Press, 1980); Phil O'Keefe, ed., Regional Restructuring Under Advanced Capitalism (London: Croom Helm, 1984); Andrew Glyn and Bob Sutcliffe, British Capitalism, Workers and the Profit Squeeze, (London: Penguin, 1972); David Gordon, Richard Edwards and Michael Reich, Segmented Work, Divided Workers: the Historical Transformation of Labor in the United States (Cambridge: Cambridge University Press, 1982); Joseph Grunwald and Kenneth Flamm, The Global Factor: Foreign Assembly in International Trade (Washington, DC: The Brookings Institution, 1985); Richard Peet, ed., International Capitalism and Industrial Restructuring: A Critical Analysis (Boston: George Allen and Unwin, 1987); Robert J.S. Ross and Kent C. Trachte, Global Capitalism - the New Leviathan (Albany: State University of New York Press, 1990).

<sup>16</sup>. See Seidman, Apartheid, Militarism and the US Southeast (Trenton, NJ: Africa World Press, 1989) Ch. 3.

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Africa as a convenient entry point into Africa, in some ways comparable to the late 19th-20th century penetration of Latin America through Mexico and Central America. Three times the size of US, however, Africa comprises a continent even larger than Latin America. It possesses untold resources. Colonial rule geared its divided nations to the export of cheap raw materials, laying the basis for the present crisis which has further impoverished its peoples, creating vast unemployed labor reserves. In the last decade, "restructuring" policies of the IMF-World Bank -- in which the US holds a fifth of the votes -- have explicitly pressured African economies to open up to further transnational corporate investments to expand their exports of raw materials and labor-intensive manufactures. To the extent that they succeed, these policies threaten to push low paid African workers into even more direct downward-spiralling competition with those of other countries -- including the United States.

US military spending in the 1980s generated a distorted prosperity, financed by debt and the deliberate reduction of social welfare programs. This proved profitable for transnational military contractors, but, in the Pennsylvania-Ohio region, as throughout the United States, it reduced the social service expenditures essential to enable US working people cope with the disasterous effects of the changing international division of labor spurred by transnational corporate investment strategies.

The increased militarization of US policy in Africa has a similarly negative impact there. On the one hand, through the IMF and World Bank, the US government pressures African countries to open their economies to transnational corporate investments and expand exports. On the other hand, it ships weapons to bolster African governments, including military regimes like Mobutu's Zaire, Siad Barre's Somalia, and Samuel Doe's Liberia, that adopt these policies. It also sends weapons to contra groups, like UNITA, that undermine governments which, like Angola's, seek to pursue more self-reliant policies.

#### THE IMPACT IN WESTERN PENNSYLVANIA AND OHIO:

Transnational corporate strategies to profit from the changing international division of labor, bolstered by US military policies, have aggravated unemployment and impoverished growing numbers of Ohio and Pennsylvania citizens, accelerating the deterioration of the quality of life throughout the region. This is illustrated by the decline of traditional industries and growing poverty alongside pockets of wealth generated by financial speculation and high tech industrial growth spurred by military spending.

In recent decades, US transnational corporations, traditionally based in the the Penn -Ohio region have shifted their mining business and labor-intensive factories to low wage areas including apartheid South Africa. To meet the international competition made possible by the technological revolution in transport, communications and finance, they have

introduced measures to break unions that obstructed their efforts to push down labor costs. Their new investment strategies led to loss of factory jobs and persistent unemployment throughout old US industrialized areas, especially hitting urban inner city populations. In Pennsylvania and Ohio, this has not only negatively impacted blacks, minorities, and women and their families, as elsewhere in the nation, but also white blue-collar workers whose lives had centered around the region's basic industries.

A brief review of the history of mining and the steel industry in the US industrial heartland of Western Pennsylvania-Ohio region helps to understand the causes and consequences of these investment strategies combined with growing US militarism.

A. The post-World War II collapse of mining:

After the Civil War, immigrant workers flocked into the Appalachian foothills that reached up into Western Pennsylvania and Ohio. There, they worked 12 hour shifts deep underground to dig the coal required to fuel America's industrial revolution. Pennsylvania and Ohio led the nation in coal production.

Despite mine company efforts to play one immigrant group off against another to keep labor costs down, the mine workers began to unionize. In 1883, US Senate Committee on Education and Labor reported that, although miners risked death in some of "the world's most dangerous mines," their wages averaged only \$350 a year. Chronic overproduction caused unemployment. Necessity forced their children to take jobs picking slate from the coal. Mine families lived in company-owned, unpainted, two-room row houses and paid from 10 to 40 percent more than regular market prices for provisions at company stores. In the valley town of Straitsville, two winding, close-built street housed nearly 3,000 people, often half a dozen families crammed under one roof.<sup>17</sup>

In 1884, with coal stockpiled on railraod sidings, the coal companies cut wages to 50 cents a ton. Four thousand Hocking

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<sup>17</sup>. Havighurst, Ohio op. cit., p. 142.

Valley miners went on strike. The companies brought in 3,500 immigrants to keep the coal cars full. On a summer night, Straitsville men attacked the strike breakers, set fire to several mine hoppers and railroad bridges, and dumped barrels of oil into coal cars which they sent, blazing, into the tunnels. The governor ordered in the state militia to protect the strikebreakers. But fires raged underground for years, a symbol of the miners' sometimes secret continuing struggle for better wages and working conditions.

Finally, at the beginning of the 20th Century, following repeated strikes, the anthracite workers won a 10 percent wage increase, a reduction of the working day to 8 or 9 hours (depending on their class of work) and recognition of the United Mine Workers (UMW). In the soft-coal areas, however, until the Great Depression of the 1930s, conditions remained "horrible and ...miners working six and seven days a week earned so little they had to go on relief." The US Steel Company's "captive" Frick Company mines resisted recognizing the United Mine Workers until a strike persuaded Roosevelt's New Deal government to pressure it to negotiate. The UMW became a leading force in the newly-created Congress of Industrial Organization (CIO)'s drive to build nation-wide industrial unionism.

In the decades after World War II, some US mining conglomerates invested directly in mines in South Africa itself. Then, in the face of coal imported from low-labor cost areas like South Africa, mining firms in the US either introduced automated machinery that slashed labor requirements, or closed their mines down altogether.<sup>18</sup> In the Pennsylvania-Ohio region, coal mining employment dropped drastically. In the four years between 1980 and 1984, alone, one out of five Pennsylvania miners, and one out of ten in Ohio, lost their jobs.

Meanwhile, some South African mining interests invested some of their South African profits buy up Appalachian mines. The

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<sup>18</sup>. Chapter 6, in Apartheid, Militarism, and the US Southeast, details the role of the major transnational corporations in fostering this trend throughout the US Southeast.

South African Anglo American Group<sup>19</sup>, for example, joined the Hudson Bay Mining and Smelting Company to form a joint venture, Inspiration Coal, with mines throughout Appalachia. Shell-BP and Fluor, both with extensive energy interests in South Africa, acquired A.T. Massey which owned mines throughout Appalachia. In the early '80s, A.T. Massey led a campaign to break the UMW by refusing to bargain with it through the Bituminous Coal Operator's Association. This, along with Shell's refusal to end its involvement in helping South Africa's apartheid regime meet its energy problems, contributed to welding US mine worker support for the current anti-Shell boycott.<sup>20</sup>

B. Abandoned factories:

The end of the Civil War released the forces of the industrial revolution that transformed the Pennsylvania-Ohio industrial heartland of the United States. Located on convenient river, canal, and railroad routes between the rich mineral resources of the Mid-west and the markets centered around the Eastern states' port cities, the region quickly emerged as the center of new basic industries like steel and rubber. After World War II, however, as the technological revolution lowered international transport and communications costs, US-based transnational corporations acquired global holdings, opening new

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<sup>19</sup>. See Apartheid, Militarism and the US Southeast for the history and world wide holdings of the group, as well as those in South and southern Africa.

<sup>20</sup>. See Apartheid and the US Southeast, pp. 118ff;

factories or buying and shipping in labor-intensive manufactures from places like South Africa. Again, a review of the history of the steel and rubber industries may help to explain why.

Back in the 19th Century, the emerging steel barons of Pittsburgh and Youngstown welcomed the flood of European migrants, who worked 12 hours shifts, seven days a week, to earn a pittance to transform the region's rich coal and iron into the sinews of the nation's new industries. Forming close links with the nation's biggest banking interests, the steel firms merged into a handful of giant corporations that soon dominated the national economy. In the early 20th Century, searching for workers willing to work for even lower wages, United States Steel moved part of its operations to Birmingham, Alabama -- a new "Pittsburgh of the South".

Despite company efforts to keep the steel labor force divided among diverse quarreling ethnic, linguistic and racial groups, the workers struggled to win shorter hours and a living wage. Like the coal miners, they struck over and over again, though they often lost as the companies convinced the state governments to send in armed police and national guardsmen. As late as 1937, 50,000 steel workers struck seven big plants in the Mahoning Valley. Lines of pickets, night and day, patrolled the lifeless mills. While a mediation board listened to employee grievances and company rebuttals, two strikers were killed, and 27 wounded. State militia troops sent to Youngstown found the railroad station massed with chanting men. In the next week five more were killed and 307 injured. In the eventual settlement, however, Roosevelt's New Deal Supreme Court finally upheld the workers' right to organize. Thus, half a century ago, the United Steel Workers became a powerful factor in the industry.

By the 1970s, however, the leading US steel company, until then appropriately called "US Steel," had acquired four subsidiaries in South Africa's steel industry. In the mid-1980s, imported steel accounted for a fourth of the US market. Despite the US 1986 Sanctions Act, as late as 1990 the Bush Administration still allowed more than 900,000 tons of South African steel products, worth at least \$350 million, to enter the



United States.<sup>21</sup>

A former Gulf Oil Company financial expert, Roderick, became president of US Steel in 1975, and chairman in 1979. In the mid 1980s, he and his top managers decided to close US plants and take a big tax write-off of assets. Initiating a process of playing off the union locals against each other, they made it quite clear that only those would remain open "where we get people who cooperate."<sup>22</sup> The company changed its name to "USX" and closed down all its plants in Birmingham and many in the older industrial valleys around Pittsburgh, Pennsylvania, and Youngstown, Ohio.<sup>23</sup>

By 1987, steel provided only 2.7 percent of total employment in the Pittsburgh area, down from 8.8 percent in 1979, and 16 percent in 1960. By 1988, the total national paid up membership of the Steelworkers Union had plummeted to about 480,00 -- barely half that of a decade earlier.<sup>24</sup>

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<sup>21</sup>. New York Times, April 15, 1990; Treasury Department lawyers claimed "legal principles" defined the ban on "steel" imports to exclude fabricated steel products like girders, beams and plates.

<sup>22</sup>. For the 1980s steel story, see John P. Hoerr, And the Wolf Finally Came -- the Decline of the American Steel Industry, (Pittsburgh: University of Pittsburgh Press, 1988); unless otherwise cited, this is the source of information relating to the 1980s steel shutdown.

<sup>23</sup>. See Apartheid, Militarism, and the US Southeast, for background of South Africa's steel industry in relation to that in the US.

<sup>24</sup>. American Federation of Labor and Congress of Industrial Organizations, Washington, DC, Report of the AFL-CIO, Executive Council, annual.

Steel was not the region's only basic industry affected by the transnationals' role in the changing international division of labor.

Historically, Akron, Ohio, had emerged in the 20th Century as a leading center of the nation's rubber industry, primarily to make tires for the mushrooming automobile business. In the Great Depression of the 1930s, a third of Akron's rubber workers lost their jobs. Many lost their homes. The police shot a protesting leader of the Unemployed Council, Alex O'Lari; 8,000 people marched through the rain to the cemetery for his funeral. The Beacon-Journal stated: "Hunger cannot be clubbed down; neither can a destitute family's right to shelter be denied."<sup>25</sup> The workers flocked into the new industrial United Rubber Workers union, sitting down repeatedly in the region's rubber plants until they won six hour shift and a 24 hour week -- sharing the work until World War II provided the market that once again restored their full time jobs.

When World War II ended, however, a number of the biggest rubber firms, taking advantage of the technological revolution, began to open plants in lower wage third world areas. By the 1980s, Goodyear Tire and Rubber, had acquired almost \$100 million worth of assets and employed 2,510 workers in South Africa. Along with the other rubber transnationals, it then began to close down plants and lay off workers in Akron, Ohio.

Other companies, which in the post-war era expanded their South African investments, also began to lay off workers and close their factories in the Pennsylvania-Ohio region. These included Westinghouse and General Motors. Until it divested, General Motors owned South African plants employing 5,000 workers. The South African government had characterized GM as a

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<sup>25</sup>. Walter Havighurst, Ohio - A Bicentennial History, (New York: W.W. Norton & Co, 1976), p. 152.

National Keypoint industry, subject to government takeover in a national emergency. GM admitted that the profitability of its South African business depended on its military sales. When it sold its South African plant to its former South African managers, it loaned them funds and contracted to continue selling essential technologies, parts and equipment.

The companies' abandonment desolated the Pennsylvania-Ohio region. One observer presented a vivid description of the Monongahela Valley in 1987, after the companies pulled out:<sup>26</sup>

If the concentration of heavy industry in the Mon Valley was once an awesome sight, the trail of industrial wreckage was just as awful in 1987.....I shall start at Monessen, thirty-nine river miles up the valley from Pittsburgh.....

The Wheeling-Pittsburgh plant is permanently closed. The new rail mill may some day operate, but that is uncertain. Scratch one steel plant.

A few miles to the north sits old Donora, with small industrial plants situated on the riverbank in an industrial park once occupied by smoky steel furnaces and a zinc plant spewing deadly fumes....twenty-three hundred jobs existed in the industrial park at its peak of activity, but these have dwindled to nine hundred in recent years....

On the east bank, a few shabby brick factory buildings are all that remain of a Combustion Engineering plant that until a few years ago made coal crushers and other equipment....The sixteen-mile stretch from Donora to Clairton once thrived on the income from Monessen and Donora steel workers, river boatmen, hinterland farmers, coal miners, and small businessmen. Today, the setting is pleasant, but its economy is crippled.

Clairton, along with U.S.I Steel's Clairton Works, has shrunk physically. The entire hot end of the plant, closed in the 1960s, has been torn down, and fields of rubble mark the southern boundary of the city's advance. But the coke works and the interconnecting Tarben Chemical plant...will survive. Silver and green coal conveyors soar about the plant in

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<sup>26</sup>. Hoerr, And the Wolf Finally Came, op. cit., pp.567-70.

crisscrossing patterns, partly obscuring long batteries of coke ovens and quenching towers that still send up plumes of steam. Cleansed of impurities, the steam is much less lethal these days....

A bit down the river, the pale blue Irvin Works sits in its sylvan setting near the top of the west bluff. It, too, will survive, along with its next-door customer, GM's Fisher Body plant.<sup>27</sup> Across the river...the wrecks of two old plants lie side by side on Glassport's riverbank: Pittsburgh Steel Foundry and Copperweld. Several small firms now operate in parts of the old Copperweld plant, possible seedlings that may sprout into something larger....

The going gets grimmer from here to Pittsburgh. Industrial graveyards line the Mon and extend up its narrow tributaries. The Youghiogheny flows into the Mon a few miles below Glassport, and on its south bank workers have recently demolished the long black buildings of McKeesport tin Plate, years ago abandoned, where thousands of women workers called 'tin floppers' used to pack tin sheets into boxes. Further up the Yough, the Fort Pitt Steel Foundry shops stand silent; an attempt at employee ownership couldn't save them. The hangarlike structures of the venerable Kelsey-Hayes Wheel company, which left years ago, still occupy a mile or so of space along the Yough. About fifty employees of a new firm, Steelmet, Incorporated, clatter around in the immense space, processing stainless steel scrap. On the other side of the river, CPM Industries has taken over USX's Christy Park Works, the old bomb plant.

Steelmet, CPM, and the businesses ensconced in Glassport's Copperweld plant may be what wave of a future there is for manufacturing in the Mon Valley: small shops that produce for a special market.

On the western edge of McKeesport, along the Monongahela, the National Works of USX, for years the premier pipe manufacturer in the world, is slowly being knocked to earth...one and a half miles of riverbank real estate will soon be available. Just downriver from National, the lifeless structures of Firth-Stirling and the Duquesne Works of U.S. Steel face each other across the river.

Turning up the Turtle Creek defile, I see Westinghouse Electric's huge East Pittsburgh plant, the working home of ten thousand people in the early 1970s. The last eight

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<sup>27</sup>, I believe the Fisher Body plant closed after this was written; we should check this with the United Automobile Workers of America in Pittsburgh.

hundred jobs will be phased out by 1989. Around a bend in the creek, all but six hundred jobs have been eliminated in Wilmerding's ninety-year-old Westinghouse Air Brake plant, now owned by American Standards, which also has shut down its Union Switch & Signal plant at Swissvale, on a ridge overlooking the Mon. Total jobs lost: eighteen hundred.

At the mouth of Turtle Creek, in Braddock, the Edgar Thomson plant -- Carnegie's original steel works -- still produces steel and appears to have won an extended life with the promised installation of a continuous caster. But a few miles west of ET stand the decrepit remains of the Carrie Furnaces at Rankin and across the river the vast and empty Homestead Works.... and adjoining it on the downriver side, the large complex of buildings that once constituted Mesta Machine.

In Pittsburgh, only a coking operation still works in Jones & Laughlin's plant on the north side of the Mon. Aside from a refurbished building taken over by a small fabricating company, the plant has been leveled to make way for a high technology center. Across the river, the other half of J&L's historic Pittsburgh Works, which dates from 1857, still looms over the picturesque ethnic enclave of Pittsburgh's Southside with its old frame houses. This plant is also closed, although a citizen organization is fighting to have a public authority take over and operate the electric steel furnaces. The combined Pittsburgh Works employed more than fifteen thousand people in the 1940s.

Down the Ohio River, the Aliquippa Works of LTV has gone from ten thousand employees in 1980 to about five hundred. American Bridge and Armco plants are closed in Ambridge. U.S. Steel has pulled out of McKees Rocks on the Ohio and Saxonburg north of Pittsburgh. Many other steel-related and metals plants have closed down since 1970. Among them are Alcoa at New Kensington in the Allegheny Valley and three Babcock & Wilcox plants in Beaver Valley which may reopen as employee-owned plants. The list goes on.

In the Mon Valley alone, some seventy-five thousand steel jobs have disappeared since 1950, and nearly thirty thousand since 1980. As of August 15, 1987, USX had a total of 3,481 hourly and salaried employees working at Clairton (coke plant), Braddock (iron and steel furnaces), and the Irvin Works (hot strip mills). Wheeling -Pittsburgh employed about 450 people in its remaining finishing plant at Allenport, and some 250 workers operated the LTV coke plant in Pittsburgh. Total Mon Valley steel employees in 1987: approximately 4,200.

This accounting does not begin to tell the full story. Each



rates by metropolitan area, see tables, statistical appendix pp. 10-11.

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In 1979, average per capita incomes in Ohio (\$11,218) and Pennsylvania (\$11,468) were already below the national average of \$11,687. (For the average per capita income by metropolitan area, see Tables in statistical appendix, pp. 5-6.) When the companies left in the 1980s, many of their former older employees who stayed in the region had to take service jobs, some earning annual wages of a third less than in manufacturing, half or less of those formerly paid in the steel plants. Many worked only part time, without fringe benefits. By 1985, the regional per capita income averaged \$12,456, only 8 percent above the 1979 level despite a 49 percent rise in the cost of living.<sup>29</sup>

These official statistics understate the impact of unemployment and reduced incomes. One 1986 study<sup>30</sup> of 401 households and 1009 persons in the mill towns of Dugesne and West Mifflin indicated that 21 percent of the labor force<sup>31</sup> remained unemployed, and another 8 percent worked part-time but wanted full-time jobs. In almost half(46%) of all the households, at least one member had been laid off in the previous five years. In one out of three households, at least one member had remained

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<sup>29</sup>. Hoerr, And the Wolf Finally Came, op. cit., p. 589.

<sup>30</sup>. Studies cited in Hoerr, And the Wolf Finally Came, op. cit. pp. 571 ff.

<sup>31</sup>. The labor estimate showed only 39% of the total population still at work or looking for work, suggesting many former workers had already given up even trying to find jobs.

jobless for a year or more. Between 1980 and 1986, the average household had lost \$4,000 in purchasing power. The effect spread into neighboring non-mill towns where "for sale" signs and plummeting real estate values reflected families' loss of well-paying jobs as well as the difficulties they faced in trying to sell out and move away.

As the decade of the 1990s opened, official unemployment estimates in Pennsylvania and Ohio still remained high, around 5 percent.<sup>32</sup> In 1989, alone, Pennsylvania reported some 47,000 newly laid off workers had filed for unemployment compensation. Official figures still probably understate the actual unemployment rate, since they usually are based on unemployed workers reportedly actively seeking work and those applying for unemployment insurance.

Today, as unemployment mounts throughout the nation, so much of the states' unemployment insurance funds have been used up nationwide that less than half those out of work receive unemployment compensation. Many do not even apply for it. Few of those unemployed longer than six months get any benefits and severe cuts have been taken in programs that have shown some success in removing from the unemployment rolls those people who remained jobless for long periods. Some people have recently waited as long as seven weeks before receiving their first unemployment checks because the Federal Government has cut

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<sup>32</sup>. Northeast-Midwest Economic Review, Volume 4, No. 5, March 18, 1991.



administrative funds required simply to process their applications. States with heavy unemployment in the early 1980s have run out of money to pay the benefits, and, faced with borrowing from the Federal Government, have tightened eligibility requirements. As the power of unions has waned, workers have lost an agent that often insured they were aware of unemployment benefits and applied for them.<sup>33</sup>

#### REDUCED SOCIAL SERVICES

As the federal government multiplied its expenditures for the military in the 1980s, it slashed the per capita social services which people had won in previous years. This aggravated the consequences of growing unemployment and poverty in the Penn-Ohio region. The statistical tables in the appendix (p. 20) show that, from 1980 to 1984, the amount Pennsylvania received as Aid to Dependent Children dropped from \$632,700 to \$587,000.

#### FALLING TAX REVENUES

In the 1980s, as the federal government pushed a growing burden of social expenditures on local and state communities, the loss of company tax revenues led to sharply decreased services. Already, in 1980, Ohio's and Pennsylvanias' local property tax revenues, at \$312 and \$281 per capita, had been significantly (9% and 17%) less than the US average. (For specific metropolitan

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<sup>33</sup>. Steven A. Holmes, "Fallback for the Jobless Has Little to Fall Back On," New York, Times, Feb. 1991.

areas, see tables in appendix on pp. 21 and 22). This translated into less funds for these communities to spend for educational, health and recreational facilities. When the companies closed down plants and moved away, the per capita tax revenues in those communities undoubtedly fell further. USX, alone, for example, had accounted for 41% of Homestead's total assessed valuation, 23% of Clairton's, and 22% of Duquesne's.

Many of the nation's mayors objected to President Bush's proposal to turn community block grants over to the state governments. These funds are intended for housing, street repairs, parks and playgrounds, child care, shelters for battered women, and other public services for people with low or moderate incomes. The mayors expressed fears that state governments, strapped for funds, might well not transfer to the cities the two thirds they had received in the past.<sup>34</sup> This would further burden hard-pressed urban tax payers.

Furthermore, as young men and women left the Penn-Ohio region to seek jobs elsewhere, senior citizens increased as a percentage of those who remained. In McKeesport, for example, the percentage of population over 60 years old reached 25% in 1980, almost double the number in 1950; and was expected to rise to 30% in 1990. This imposed a growing need for reducing taxes (or eliminating them altogether) on their homes, as well as

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<sup>34</sup>. Robert Pear, "The Nation - Washington's Plan to Funnel City Aid Through the States Enrages the Mayors," New York Times, February 10, 1991.

providing them with more health and welfare services.

For the most part blacks, who comprised 9.97% of Ohio's population, and 8.82% of the Pennsylvania's (a high proportion of them living in Philadelphia in the East), remained highly concentrated in a few areas of the Western Pennsylvania and Ohio: Hamilton in Cincinnati; Cuyahoga in Cleveland; Mahoning in Youngstown; Dauphin in the Harrisburg-Lebanon-Carlisle area; and Allegheny in Pittsburgh. The impact of growing unemployment and declining incomes fell much more heavily on some (not all) of these communities than on predominantly white areas; the spread of unemployment and falling incomes into white communities, (see appendix), however, reflects the depth of the impact of the loss of regional industries.

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 TABLE 2: SOME INDICATORS OF RELATIVE UNEMPLOYMENT AND INCOMES OF WESTERN PENNSYLVANIA AND OHIO BLACK COMMUNITIES  
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| Area/<br>(%Black) | Factory employ-<br>ment decline,<br>1977-82 (%) | Income<br>per cap<br>(\$/1983) | Unemploy-<br>ment rate<br>1983(%) | Below<br>poverty<br>1979(%) | Property<br>tax rev./<br>cap('81-2) |
|-------------------|---|--------------------------------|-----------------------------------|-----------------------------|-------------------------------------|
| US(11.7%)         | -2.5%   | \$9,496                        | 9.6%                              | 12.4%                       | \$341                               |
| Ohio(9.9%)        | -16.7%  | \$9,097                        | 12.2%                             | 10.3%                       | \$312                               |
| Hamilton(19%)     | - 8.8   | \$10,048                       | 10.2%                             | 11.3%                       | \$372                               |
| Cuyahoga(22.7%)   | -16.9   | \$10,204                       | 11.0%                             | 11.5%                       | \$441                               |
| Mahoning(14.1%)   | -47.0   | \$8,157                        | 16.9%                             | 11.0%                       | \$239                               |
| Penn(8.8%)        | -11.2   | \$9,091                        | 11.8%                             | 10.5%                       | \$281                               |
| Dauphin(13.4%)    | + 4.8   | \$9,806                        | 7.3%                              | 9.9%                        | \$233                               |
| Allegheny(10.3%)  | -19.4   | \$10,258                       | 13.0%                             | 9.2%                        | \$416                               |

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 Source: See Tables in Statistical Appendix, below, pp. 3-4, 7-8, 10-11, 13a-14, 21-22.  
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The implications of these indicators remain somewhat ambiguous. The slightly larger-than-state average percentages of persons with below-poverty-line incomes in 1979 in these communities suggests a significantly dichotomized income distribution existed there before the 1980s layoffs and plant closings of the 1980s; but one cannot tell from the data what percentage blacks constituted of the impoverished groups. Between 1977-82, except for Mahoning and Allegheny, factory employment did not decline as much as in the rest of the region; the exceptionally high rate of decline in Mahoning requires investigation. Not surprisingly, the 1983 rate of unemployment appears higher in those two areas than the average for the states or the nation; but in the other areas, it remained lower than the average for the two states. Only in Mahoning was per capita income significantly below that of the rest of the region; in the other communities it remained higher than the states' and national averages. Except in Mahoning and Dauphin, the per capita property tax revenues in these communities appear higher than the state averages.

Overall, between 1979 and 1989 throughout the United States, the percentage of American children living in poverty rose 25 percent. Although a higher percentage of black children are likely to be poor, the percentage of white children living in poverty rose 36 percent.

Throughout the US, growing numbers of children of all families, white as well as black, are suffering the consequences

of spreading poverty. The percentage of low-birth-weight babies has risen. A higher percentage of babies are born out of wedlock to adolescent mothers. From 1984 to 1988, the violent death rate for teen-agers rose 12 percent. And, from 1979 to 1987, the juvenile incarceration rate rose 41 percent.<sup>35</sup>

#### MILITARY BUSINESS

The 1980s' escalation of military spending led to reduced federal funds for the Pennsylvania-Ohio area just as the need increased and local revenues fell. This may help to explain the decline in Aid to Families with Dependent Children (AFDC) in Pennsylvania, despite the growth of unemployment and falling real incomes. From 1980 to 1984, for example, overall AFDC in Pennsylvania dropped from \$215.7 million to \$193.7 million for families, and \$434.5 million to \$385.9 million for children. AFDC payments for children dropped from \$74.6 million to \$72.4 million in Pittsburgh; and \$6 million to \$5.2 million in York. (For details in other Pennsylvania metropolitan areas, see Statistical Appendix, p. 19.)

In assessing the impact of military expansion, it would seem important to determine how many of the youth who fled the region's growing unemployment and poverty sought work by joining the armed forces. In the US Southeast, this form of employment opportunity became increasingly important in the 1980s for blacks

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<sup>35</sup>. New York Times editorial, "Kids at Risk in Mr. Bush's Budget," Feb., 1991.

who explained their choices, increasingly, narrowed down to the army or jail.<sup>36</sup>

In 1991, with the growing threat of war in the Gulf, the tragic personal consequences inherent in this form of employment appeared increasingly evident. In western Pennsylvania, the many of homes in the region that flew yellow ribbons in early 1991 testified to the many youths who sought a career through the army or the reserves -- and went off to fight in Desert Storm. Christine Mayes, 22 years old, from Rochester Mills had served three years in the army. She had remained in the reserve while attending the university part-time, along with her father, a 49 year-old unemployed construction. She was called up, and died when the scud missile hit Saudi Arabian barracks.<sup>37</sup>

The Pennsylvania-Ohio region did not receive as high a percentage of the expanded 1980s military business as other states; but a major share of what they did receive went to a few very large firms, a number of which had long conducted business in South Africa. Apparently neither the fact that firms like Westinghouse had provided South Africa with capital and technologies to build up its repressive military-industrial complex, nor that they closed down plants in the Pennsylvania-Ohio region, had deterred them from receiving military contracts

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<sup>36</sup>. For details, see Apartheid, Militarism and the US Southeast, op. cit..

<sup>37</sup>. Don Terry, "The Families - Scud's Lethal Hit Takes First 2 Female Soldiers, New York times, Feb. 28, 1991.

for other regional plants.

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 TABLE 3: DEFENSE CONTRACTS  
 in millions of dollars (a) as percent of communities' personal  
 income(b); and South African (SA) assets and employment(c)  
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| <u>State/town</u>              | <u>Department<br/>of Defense<br/>(\$m)</u> | <u>As % of 1983<br/>area's personal<br/>income (\$000)</u> | <u>1984 SA<br/>assets(\$m)/<br/>employment</u> |
|--------------------------------|--|--|--|
| Ohio:                          |  |  |  |
| St. Mary's:                    |  |  |  |
| Goodyear Tire<br>and Rubber(d) | 49   | na   | \$97/2510                                      |
| -----                          |  |  |  |
| <u>Pennsylvania:</u>           |  |  |  |
| King of Prussia:               |  |  |  |
| General Electric               | 116  | na   | \$120/1892+                                    |
| Philadelphia:                  |  |  |  |
| General Electric               | 176  | 0.3  | \$120/1892+                                    |
| Total                          | 125  | 3.6  |  |

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 Notes: (a) Table here only lists single contracts exceeding \$40,000; the same firm may have other smaller contracts in the state or region. (One could go back into past years, and could also get more detail about other contracts of these firms, and smaller contracts of other firms); (b) computed from tables, statistical appendix to this handbook, pp. 5-6; (c) Seidman, The Roots of Crisis in South Africa, (Trenton, NJ: Africa World Press, 1985) Appendix on firms with investments in South Africa.; although some firms divested their South African holdings in the 1980s, they typically continued to sell technologies to the local firms that acquired the assets.

Sources: "Dollar Summary of Prime Contract Awards - By State, place and contractor, FY88."  
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For neither state did the value of the military contracts obtained add up to more than a tiny fraction of total business.

Affiliates of large firms which historically had operated plants in the Penn-Ohio region, like General Motors, tended to bid and win military contracts for states further south, taking advantage of their lower wages. Even those few firms that did win military contracts for in the Penn-Ohio region tended to have significantly larger ones in the US South. For example, in the late 1980s, Goodyear's subsidiary, Goodyear Aerospace, was the third largest military contractor in Georgia where wages averaged 10-25% lower than in Ohio; General Electric was a leading military contractor in Florida, where wages were roughly 20 percent less than in Pennsylvania.<sup>38</sup>

It is interesting that Carnegie Mellon University, Penn State University and the state college system, in 1988, received between them over \$150 million in military contracts, presumably for high tech research. That amount of funds could have made a major contribution to research related to technologies directed to increasing employment and raising living standards in the Pennsylvania-Ohio region.<sup>39</sup>

#### TOWARDS ALTERNATIVE STRATEGIES FOR PEACE AND JOBS

Expanded US military expenditures have reduced funds available to finance an escape from growing unemployment and poverty in the Penn-Ohio region and throughout the nation. In

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<sup>38</sup>. Seidman, *Apartheid, Militarism and the US Southeast*, op. cit.), p. 198, 199.

<sup>39</sup>. For alternative possible expenditures, see *Apartheid, Militarism, and the US Southeast*, especially relating to the high tech industry and possible peaceful alternative expenditures.



1990, out of every dollar Pennsylvania and Ohio citizens pay in federal income taxes, over 50.2 cents went to the military before Desert Storm. That left only 0.4 cents for employment programs, 0.6 cents for environment, 1.6 cents for housing, 2.8 cents for education and less than 10 cents for health care!

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TABLE 4: HOW THE GOVERNMENT SPENDS THE FEDERAL INCOME TAX DOLLARS PAID BY THE AVERAGE PENNSYLVANIA AND OHIO HOUSEHOLD (in selected cities)

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| Job(a)       | <u>Military</u> | <u>Health</u> | Education | <u>Housing</u> | <u>Environment</u> |
|--------------|-----------------|---------------|-----------|----------------|--------------------|
| OHIO         |                 |               |           |                |                    |
| Akron        | \$1213          | \$216         | \$68      | \$38           | \$16               |
| \$10         |                 |               |           |                |                    |
| Cincinnati   | \$1050          | \$187         | \$59      | \$33           | \$13               |
| \$9          |                 |               |           |                |                    |
| Cleveland    | \$1017          | \$180         | \$57      | \$32           | \$13               |
| \$8          |                 |               |           |                |                    |
| Springfield  | \$1022          | \$199         | \$62      | \$35           | \$14               |
| \$9          |                 |               |           |                |                    |
| PENNSYLVANIA |                 |               |           |                |                    |
| Delaware     |                 |               |           |                |                    |
| Country      | \$1694          | \$300         | \$95      | \$53           | \$21               |
| \$14         |                 |               |           |                |                    |
| Philadelphia | \$1118          | \$198         | \$62      | \$35           | \$14               |
| \$9          |                 |               |           |                |                    |
| Pittsburgh   | \$1139          | \$202         | \$64      | \$36           | \$14               |
| \$10         |                 |               |           |                |                    |
| Erie         | \$1250          | \$222         | \$70      | \$39           | \$15               |
| \$10         |                 |               |           |                |                    |

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Note: (a) job training. Source: National Priorities Project, "A Program for the Center of Organizational and community Development, University of Massachusetts, 377 Hills South, Amherst, MA 01002.

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The Federal and state governments would do much better to spend these funds, now poured into the military, to finance jobs and an improved quality of life of all Americans. When the market

collapsed for steel in Western Europe, governments provided substantial help into the regions affected by steel plant closings. This included retraining and relocation programs for workers and job creation programs for the communities. Neither the federal United States government nor the local state governments in Pennsylvania and Ohio did much of either. Nor did the industries one observer remarked,<sup>40</sup>

For forty years, the bureaucratic structure of the steel industry precluded innovation in product entrepreneurialism or industrial relations....

By early 1986, Barney Oursler, co-director of the Mon Valley Unemployed Committee (MVUC)...(said) "People have no understanding of what's happened to them....They played the game, did what they were supposed to do, and then they were thrown away, and they have no idea why."

In the 1980s, however, people in the region began to engage in three forms of activism: 1) demanding service aid to the unemployed; 2) protesting to force change; 3) emphasizing political organization and coalition-building to maintain steel jobs in the valley. The Monogahela Valley Unemployed Council, for example, counseled people on obtaining government benefits, retraining, health care, help in paying mortgages. It sometimes organized demonstrations and lobbies. It won Pennsylvania's mortgage assistance law, the nation's first. It pressed state agencies to resolve administrative and funding problems hindering retraining programs under the federal Trade Readjustment Act. In 1986, it merged with similar groups in Beaver county, the mid-

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<sup>40</sup>. Hoerr, And the Wolf Finally Came, op. cit. p. 576.

Monongahela Valley area, Turtle Creek, Pittsburgh, and the Allegheny-Kiski Valley to form the Unemployed Council of Southwestern Pennsylvania. It received grants from companies and individuals in support of public pressure on government bureaucracies and politicians.

In 1983, small groups, organized by the Demonominational Ministry Strategy (DMS, a Protestant group) and local union officials and rank-and-file union workers, demonstrated at the Mellon Bank branches in the Mon Valley. They claimed the bank loaned money abroad instead of in the valley. Eventually, the union leaders broke from the DMS because they asserted that it adopted a confrontational strategy that cost their members jobs - - although the evidence suggested that the steel companies made their decisions to close plants based, on neither Mellon's willingness to lend nor on DMS tactics, but on their own global profit calculus.

In 1979, political and church activists started the Tri-State Conference on Steel, a non-profit, public interest group, to prevent demolition of steel plants in the Youngstown area. The original leaders included Rev. Charles Rawlings of the Episcopal Diocese of Ohio and Staughton Lynd, lawyer and former university professor. In 1981, Tri-State moved into the Pittsburgh area to take advantage of a public authority created under state law with power of eminent domain to acquire land for urban redevelopment. Tri-State lawyers argued the same power could be used by a new "Steel Valley Authority" to acquire land,

buildings, and machinery of existing plants for economic development run by an existing company, a newly created, employee-owned firm, or a combination of both. In 1984, when US Steel announced it would tear down the hot end of the Duquesne plant, the United Steel Workers Union and Tri-State mounted a "Save Dorothy" campaign that united politicians, institutions and people in the Valley. "Dorothy" was a relatively young 20 year old blast furnace, capable of operating if repaired and outfitted with new equipment. The basic plan, calling for a worker owned enterprise, won support of several state legislators, mayors and council members, and national politicians. At first annoyed by the questions raised about the company, Roderick permitted a feasibility study which showed the Duquesne plant could be profitable-- if \$90 million could be raised. The Save Dorothy campaign continued through 1985, resulting in creation of a Steel Valley Authority by 9 municipalities in the Mon and Turtle Creek valleys. The union mounted round-the-clock watch to make sure the US Steel didn't demolish the plant in the dead of night. A second feasibility study by Lazard Freres, however, reported customers wanted high quality steel produced by a continuous caster, not a blast furnace. The cost of a continuous caster proved out of sight, forcing abandonment of the plan. The plant was demolished in 1986.

Tri-State tried to stop closure of two American Standard plants, Union Switch & Signal in Swissvale and Westinghouse Air Brake in Wilmerding -- but failed because the Steel Valley

Authority lacked funds for compensation. In 1987, Tri State and the Authority tried, again unsuccessfully, to save the electric steel furnaces at LTV's old Southside Pittsburgh plant. Stressing the validity of steel managements' business judgements, USX head Roderick argued,<sup>41</sup>

We never shut down anything that's profitable.... And what we ought to be trying to do is convince the people and convince the community to be trying to direct our assets to get these people retrained so that they can be quickly employed in the other productive elements of our society and not sitting there waiting for yesterday to come back. Yesterday is gone.

Nevertheless, Roderick did not offer USX resources, reflecting capital accumulated by its workers' past productive efforts, to help retrain the workers.

A more effective strategy would be united action of communities, reaching across the sea in a world at peace, to provide full employment and improve the quality of life. Leading African economists call for increased national efforts to re-direct domestically-generated investible surpluses to finance the introduction of appropriate technologies to increase domestically-oriented productive employment and incomes. This, they assert, would simultaneously expand African markets and contribute to meeting the African populations' basic needs. Implemented throughout Africa and the Third World, this kind of strategy could contribute to establishing a world-wide "floor" under incomes, a foundation on which the peoples of the world

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<sup>41</sup>. Cited by Hoerr, And the Wolf Finally Came, op. cit., p. 587.

could work together to build mutually-beneficial trade.

The South African case offers an illustration: For tens of millions of Americans, the release of Nelson Mandela, after two and a half decades in apartheid's jails, symbolized the potential for real change in that country. His triumphal tour of the United States, reverberating with echoes of Martin Luther King's civil rights crusade, testified to Americans' deep-seated enthusiasm for this victory in the long struggle against racism. Mandela emphasized that the South African liberation movement is calling for a democratic, participatory state apparatus to implement a people-oriented transformation of the national economy.<sup>42</sup> He spoke for the liberation movement in urging the US government and people, until the establishment of a democratic South African government, to continue their support for international sanctions.

South Africa's emergence as a regional industrial and financial subcenter simultaneously created the largest industrial working class on the African continent. By the '80s, industrial unions, emphasizing the necessity of shop-floor democracy, had

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<sup>42</sup>. Report of a consultative workshop organized by the African National Congress and the Congress of South African Trade Unions, Harare, April 28 to May 1, 1990, "Recommendations on post-apartheid economic policy" in the *New Nation*, (S) 6/15/90, reprinted in *Facts and Reports* (Holland), vol. 20, No. N, 7/13/90; see also G. Seidman, "From Trade Unions to Working Class Mobilization..." *op. cit.*; and Neva Makgetla, "Using Development Theory to Solve Problems: An Application to South Africa" also in Mazur, ed., Breaking the Links, *op. cit.*

begun to play a leading role in the mounting liberation struggle.<sup>43</sup> This may open new possibilities for a democratic, participatory society capable of achieving the kind of development here outlined.

Once a liberated South African people begins to rebuild the nation, and, through the Southern African Development Coordination conference (SADCC), achieves more cooperative relationships with their neighbors, they may help to create entirely new possibilities for sustainable development. With a land area nearly the size of the continental United States and a population exceeding 100 million, southern Africa surely has the potential for self-sustainable development. Together, the region's governments could redirect the billions of dollars now wasted by the ravages and dislocations caused by South African destabilization and war. Instead of buying more sophisticated weapons, they could build more productive farms and factories as well as schools, hospitals, and roads, to meet their peoples' basic needs.<sup>44</sup>

Far from fearing the consequences, Americans -- including those in Pennsylvania and Ohio -- should welcome these kinds of

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<sup>43</sup>. See Gay Seidman, Labor Movements in Newly-Industrialized Countries: South Africa and Brazil, 1960-1985, (Berkeley: PhD Thesis, 1990; to be published by University of California Press).

<sup>44</sup>. For a review of alternative economic theories as guides to this process, see N.S. Makgetla, "Development Economics and Perspectives on the South African Economy" in *Journal of Law and Religion*, 5(2):367-419. A shorter version appears in Mazur, Breaking the Links op. cit., pp.67-98.

developments. They could facilitate expansion of trade that could prove beneficial both to the peoples of southern Africa and to us, here in our own country. The United States sells about ten times more goods, per capita, to industrialized Europe than to impoverished Africa.<sup>45</sup> If the peoples of southern Africa improved their production, employment and income structures, we could expect to sell about ten times more to each man, woman and child living there -- a large and growing market for goods American workers might make. In return, we could buy essential mineral and agriculture produce, increasingly processed in the context of reshaping comparative advantages in more mutually-beneficial patterns.<sup>46</sup>

Involving the people of the Pennsylvania-Ohio region, like the union members, church groups, university faculty and students, who organized the Tri-State Conference, in a kind of participatory research might foster greater understanding of these possibilities. They could explore the possibilities of working together with those struggling for liberation and development in South Africa today. They could help to achieve support for the kinds of US policies required to facilitate

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<sup>45</sup>. Seidman, Apartheid, Militarism and the US Southeast, op cit., Part IV.

<sup>46</sup>. At present, Africa's comparative advantage, like that of the rest of the Third World, rests in its cheap, unskilled labor. Any people-oriented development strategy must improve education, skills and technology as the foundation of increased productive employment opportunities and rising living standards for the entire population.



sustainable development that would more likely benefit, not only of the peoples of Africa, but also those in the United States.

Redirectionn of military expenditures to peacetime needs in the US could provide more jobs and the necessities people need to live better including more adequate social services and security network. When the cold war began to wind down, C. Robert Zelnick, Pentagon correspondent for the ABC News, estimated the potential peace dividend could "easily" be \$736.3 billion by the year 2000.<sup>47</sup> Pennsylvania's and Ohio's governors and state agencies could direct investment to peace-oriented jobs with adequate pay to produce consumer necessities directed to improving the quality of life, including improved environment which affects all the region's inhabitants, regardless of income. Some of the alternative uses to which these funds might be put are outlined in Apartheid, Militarism and the US Southeast. In addition, a small fraction of those savings could go a long way to helping African nations attain self-sustainable development, building the foundations of new patterns of mutually beneficial trade with the United States.

To gain control over their own workplaces and lives, Pennsylvania-Ohio citizens need to work together through their organizations to support a state and national program of peace,

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<sup>47</sup>. New York Times, Feb. 12, 1990.

better paying jobs and improved social services for all.<sup>48</sup>

In short: To prevent the changing international division of labor from undermining their efforts to improve their living and working standards, the people of Western Pennsylvania and Ohio should support liberation and development in Africa. They should work to end the transnational corporate strategy that puts their wages and working conditions in competition with those of the poorest and most oppressed Africans. At the same time, working together with the peoples of Africa for liberation and development, they could help to make the decade of the 1990s one of peace and jobs on both sides of the Atlantic.

#### ON USING THE STATISTICAL APPENDIX OF THIS HANDBOOK

The Appendix of this Handbook<sup>49</sup> provides 1980 statistics, mainly based on the 1980 census, that is, the beginning of the Reagan era (this may be up-dated when this year's census information is published; it will then be helpful to assess trends of change). To use the appendix for any particular community, you may look up line items for that community relating to the particular aspect in which you are interested. This may help you identify problem areas and possible explanatory hypotheses - (ie tentative explanations)- for further research

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<sup>48</sup>. Apartheid, Militarism, and the US Southeast, op. cit., gives examples of action in other states along these lines (see Part IV).

<sup>49</sup>. tables from the Department of Commerce book, the State and Metropolitan Area Data Book, available in almost every major university or public library for your state and for comparison, the data for the US.

and discussion with people in the community.

For example, supposing you want to look up Allegheny in the Pittsburgh labor market area, which, in addition to Allegheny, comprises Beaver County, Fayette, Washington, and Westmoreland.

On p. 2, see that population of about 1.4 million has declined, presumably as people who became unemployed left state; on p. 4, note that 10.36% of population is Black (you can also obtain information about age, percent born outside of state, etc;).

On p. 6, you can see what percent of people living in Allegheny work in manufacturing compared to services. The 1980 average per capita income in Allegheny was \$10,609, a little over the national urban average of \$10,111, which might reflect relatively high wages union members received (you would have to check that hypothesis against other facts).

On p. 8, you can tell what percent of the persons in Allegheny lived below the poverty line in 1980, and compare that to the national average of 12.4% (top of p. 7).

P. 11 tells you how the unemployment rate changed after 1980, going from 6.6% to 13% (doubled) in 1982, and then dropping to 10.5% in 1983 -- in all cases, well above the national average (see top of p. 10). The recorded data suggest what may have happened as a result of the impact of plant closures and afterwards; but you need to find out if the 1983 drop in unemployment represented people leaving the area; or they no longer received unemployment compensation so the government no longer had a record of them; they just gave up on the job search, leaving the family with less money; or, if they got jobs, whether they earned as much money as before.

P. 13a shows a sharp fall in employment from 1980 to 1984 in both Ohio and Pennsylvania, far higher than on average in the US as a whole, in mining, construction, manufacturing and transport and communications, presumably as plants closed throughout the states, and the 'multiplier' effect negatively reduced employment in related sectors. You need to find out what happened after 1984 by further research. P. 14 shows that Allegheny manufacturing employment, where wages were \$21,690 (compared to a \$16,514 national average; see p. 13b), dropped 19%, from 1977 to 1982 compared to a 2.5% decline nationally. This suggests employers in plants earning higher wages tended to close them down faster than where wages were lower -- part of the consequences of interstate (as well as international) competition.

P. 18 shows that Ohio had less millionaires per 100,000 people than the US average, but Pennsylvania (with its eastern business-financial center in Philadelphia) had more. In both cases, the data suggests a skewed income distribution, but you would need to do more research to find out how skewed it might be in a particular community like Allegheny.

p. 20 shows that, despite the increased unemployment, fewer residents (both families and children) received aid to families with dependent children in 1984 than in 1980; this probably reflected the Reagan administration cuts in welfare as it expanded expenditures on the military.

WHY THE PEOPLE OF PENNSYLVANIA AND OHIO SHOULD SUPPORT  
LIBERATION, PEACE AND DEVELOPMENT IN AFRICA  
(A summary of the Peace Tour Handbook1)

The persistence of poverty and oppression in Africa and the multiplication of US military spending, alongside the increased poverty of growing numbers of US citizens (including those in Pennsylvania and Ohio) are two sides of the same story.

Behind US military expansion, US transnational corporations have both contributed to and taken advantage of the on-going technological revolution in production, shipping and communications to penetrate Africa (as they did Latin America in the 19th Century). After the post-World War II collapse of European colonial rule, US firms hoped to gain access to the rich mineral, agricultural resources and the lowcost labor reserves generated by distorted past economic development in the vast African continent -- a land area three times the size of the United States with a population of 500 million. In the '60s and '70s, seeming to view South Africa as an initial entry point, US transnationals poured three fourths of their manufacturing investment in all of Africa into the land of apartheid. By the 1980s, the US government had extended military support for oppressive governments from Morocco and Liberia in the northwest, to Somalia in the northeast, and Zaire at the continent's heart. It sending stinger missiles and anti-personnel mines to support the South African-supported UNITA guerillas to disrupt the Angolan government, although almost every other UN member recognizes that government's legitimacy.

US transnational corporate investments in mines and factories in South and southern Africa have served to put the wages and working conditions of American workers in direct competition with those of the impoverished victims of apartheid. By investing in South Africa, rather than at home, US firms like USX, General Electric, and Goodyear Rubber have contributed to the unemployment, anti-union policies, and lower wages that have spread through the US mid-west. Simultaneously, US military spending to help open the doors for these investments has led to cuts in the US social welfare net and hastened environmental degradation, further undermining the quality of life for many Pennsylvanian and Ohio citizens. Many of the region's young people see a military career as their only hope for the future.

An alternative strategy would be far better for both Americans and Africans. Today, the US sells about 10 times as many goods to the relatively developed countries of Europe than it does to the impoverished peoples of Africa. If, instead of sending guns to repressive regimes, the US government supported

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1. For more background information, see A. Seidman, *Apartheid, Militarism and the U.S. Southeast* (Trenton, NJ: Africa World Press, 1990)

peace, liberation and development in Africa, it could open exciting new possibilities of increased mutually beneficial African-US trade. All Americans would benefit from that kind of strategy which would help to provide jobs and improve the quality of life for peoples on both sides of the Atlantic.