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CAMPBELL'S SOUP X-523

**An OPEN CHALLENGE To The
STEEL COMPANIES
A PUBLIC DEBATE**

**Any Time Any Place
On IMPORTS and OUR JOBS**

YOU CAN HAVE AS MANY AIDS, LAWYERS, EXPERTS,
WHATEVER YOU LIKE TO ARGUE YOUR CASE.

WILL YOUR ARGUMENTS STAND UP TO THE LIGHT OF
DAY? IF YOU ARE SO SURE OF YOURSELF, WHY NOT
PUT YOUR POSITION TO THE TEST.

WE ARE SENDING YOU THIS CHALLENGE CERTIFIED,
REGISTERED MAIL. THE RANK AND FILE WILL JUDGE
YOU ON YOUR RESPONSE.

It was a Thursday morning, the 11:00 P.M. to 7 A.M. shift was coming through the gates happy that they had put another turn behind them. But for many of those who hurried to their cars, that early Thursday morning would be one of their last days at work. Because that very morning Youngstown Sheet and Tube announced that 700 men from the open hearth, the blooming mill and the billet mill would lose their jobs. And this was only the first step of the largest non-military shut-down since World War II: in all over 5000 workers are scheduled to be permanently laid off.

Little did it matter that only 2 days earlier the workers in the open hearth had been assured by the company that their jobs would continue. Little did it matter that on July 4th and 8th new tonnage records were set by these very same workers. In fact the company, as is tradition in the steel industry, had rewarded these men with special jackets acknowledging the production record.

But in the early morning light that Thursday, something else happened. When the open hearth workers learned of the shut-down they marched to the banks of the Mahoning River that runs right next to the plant. There as one man they threw their hard hats, their work shoes and yes, their new jackets into the dirty brown water. Men who had given a lifetime of sweat and blood to this company only to see their very futures bob up and down like their production jackets pushed by the current of the Mahoning River. Even the river itself stood as a symbol of the company's nature. Youngstown Sheet and Tube had won delay after delay in fulfilling their responsibility to do something about the pollution they poured into the river. They claimed that to meet the standard they would have to close down, but they closed down anyway and the water is dirtier than ever.

One worker watching his jacket float away, bitterly said: "We were betrayed and lied to. They praised us, then they kicked us out...We don't want jackets, we want jobs."

STEEL BARONS MAKE NEWS

Youngstown dramatically represents what has been happening to us in the past several years. In the last 2-3 months over 20,000 jobs have been permanently eliminated in basic steel. 4000 in Johnstown Pa., 5000 in Beth's Lacawanna, Alan Wood, Phoenixville and Midvale Hepenstal near Philly are either shut down or close to it. The list could go on for pages and threats of eliminations like in Chicago's Southworks could fill up even more pages.

But even more frequently than the announcements of the mill closings has been the pronouncements, supported by columns of numbers and graphs, drawn up by the steel companies blaming the importation of foreign steel for the crisis. In the past few months full page ads have been taken out by the steel companies in magazines and newspapers, suits have been filed with the Treasury Department and the pages of our union newspaper all have put out the distress call. Last July 1st Jones and Laughlin Steel and the USWA held a meeting and press conference in Pittsburgh, Pa., to announce a public relations effort stressing the need to preserve the U.S. steel industry to save U.S. jobs. Since then many similiar meetings have been held.

Along with all this are calls for unity and cooperation between the union, the companies and the government so that the strongest front can be mobilized to stop the encroachment of foreign steel.

The companies have an answer for the crisis, an answer that they are spending millions of dollars to reach the people with. The answer has two basic parts: (1) blame everything on the foreign steel producers, especially on the Japanese and (2) a call to us to pay attention to the companies poor profit position by busting like crazy at work.

As far as we are concerned all this is nothing but the biggest pile of lies and bullshit that the steel companies have pulled together in a long time.

To start with, anytime the company starts telling

you how to think, start sweating, and this goes double when they tell you how to think about the fact that you are either going to be laid off or going to be sped up.

Secondly anytime the companies start talking to us as partners you know that they want us to give up something that is an important weapon in the fight against them. The last time they talked a lot about partnership was when they took away our right to strike. Now when they talk about partnership what they want is our very will to fight.

Their lies must be answered, their poison of more cooperation and partnership must be defeated and we the rank and file must have a clear sense of what is going on and how best to build the fight for our demands and for the kind of life we need.

Have The Foreigners Stolen Our Jobs?

Crisis. That's the word that fits the situation in this country in 1977. Crisis. Not made up, not imagined--but real. Crisis that hangs over the head of every worker. The days of "it can't happen here" are over, it has happened here, right down everyone's street and right smack in the middle of every working class families' dinner table discussion.

To listen to the steel companies explanation for the crisis you would think that if the foreign steel was kept out of the country and if the American workers would produce more for less, then all our problems would be over.

The real story is much different. In the world today all the steel makers are in big trouble. World steel production has never been able to climb up to the levels of production reached right before the collapse in 1974. In the U.S., production has not reached the level it was at 10 years ago. For example, the U.S. is now operating at around 74% of its steel capacity as compared to 86% at this time last year. In Europe, the steel companies are operating at only 60% of capacity and Japan has just dropped its production targets by 20%.¹

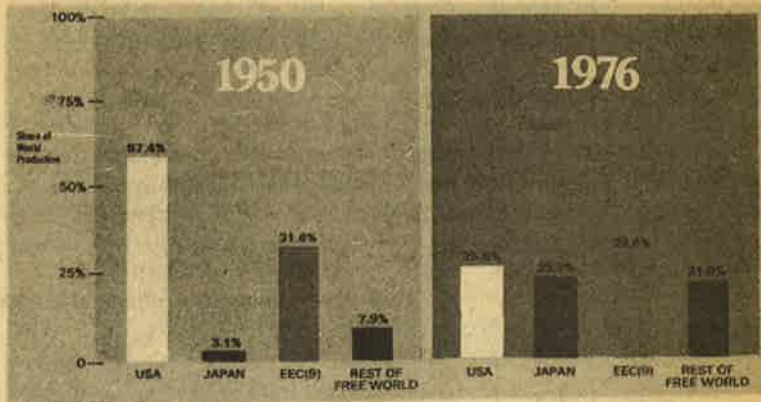


Chart I--The U.S. No Longer Dominates World Steel Production

This chart shows the declining U.S. share of world steel production. The U.S. industry has not grown as fast as those of Europe and Japan. And overall, the strength of the U.S. economy has weakened as a result of political, economic and military developments since the 60's.

Source: Economics of International Steel Trade

Why are the mills operating so far under their production capacity? Unbelievable as it may sound, the reason is because there is insufficient demand for the steel. Demand is below capacity because most of the steel that is produced in the world goes for capital expansion (that is new plants and equipment), because of the overall crisis in the world economy, is not happening these days. For example, in the U.S. over 70% of all the steel that is produced goes into capital expansion.²

This lack of demand for steel has led predictably to fierce and vicious competition among the steel companies both between and within each country. In this competition the U.S. steel makers have not done so well because most of the mills here, as compared to the rest of the world, are inefficient, out-moded, and not as profitable as the newer mills.

This not only means that the American steel companies are in a bad position to compete, but that also they are in a bad position to up-date the mills to be able to compete. For example take Beth Steel. They are saddled with old and inefficient facilities; their interest costs increased 5 times in the period of 1967 to 1975 as they tried to borrow money to buy new machinery. And being the largest producer of plate and structural steel, it has felt the pinch of the collapse of the heavy construction and capital equipment markets in the U.S.³

These are the basic reasons for the crisis. And these reasons are the motive force behind the steel companies' plan to get themselves out of the hole that they are in.

What is their plan? Basically what the steel companies are doing right now is re-organizing the steel industry to improve its profit position and its ability to compete in the world market.

In an article in the Wall Street Journal, which appeared on September 8, 1977, the basic thinking behind the steel makers moves was laid out:

"...the U.S. makers will concede a large share of market to imports over the next several years, perhaps 25% of the domestic market, compared with 15% to 20% recently.

"But he also believes a contraction of the capacity base will give U.S. producers greater power to set their own pricing patterns despite imports, and will permit operation of remaining facilities at higher rates, thus reducing costs and raising profit margins."

How will this "contraction of the capacity base" come about? Again from the same article:

"These actions include suspension or cancellation of expansion plans, closing of facilities that are only marginally profitable or far from compliance with environmental standards."⁴

If this isn't enough listen to the chairman of Beth Steel himself, Lewis W. Foy who was interviewed in the Wall Street Journal which appeared on Monday, October 10, 1977:

Year	Steel Mill Products			Apparent Steel Supply	Imports as % Of Apparent Steel Supply
	Total Net Shipments	Less Exports	Plus Imports		
	(Thousands of Net Tons)				
1976	89,447	2,654	14,285	101,078	14.1
1975	79,957	2,953	12,012	89,016	13.5
1974	109,472	5,833	15,970	119,609	13.4
1973	111,430	4,052	15,150	122,528	12.4
1972	91,805	2,873	17,681	106,613	16.6
1971	87,038	2,827	18,304	102,515	17.9
1970	90,798	7,062	13,364	97,100	13.8
1969	93,877	5,229	14,034	102,682	13.7
1968	91,856	2,170	17,960	107,646	16.7
1967	83,897	1,685	11,455	93,667	12.2

Chart II--Imports As a Percentage of Apparent Steel Supply--1967-1976

Imports have averaged about 15% between 1970-74. The record of 18% was set back in 1971. Last year they represented 14.1% of the U.S. market. During the first 7 months of last year the Japanese shipped 4.53 million tons of steel to the U.S. In the same period this year they shipped 4.66 million tons, not quite the mammoth increase we were led to believe. During the first 8 months of this year imported steel, as a whole, took up 15.9% of the U.S. market, according to a study by the American Institute for Imported Steel. This is a 1.8% increase over last year, hardly the "flood" that the steel industry shrieks about and certainly lower than the 20% that is casually thrown about in the press.

Source: American Iron and Steel Institute

"High labor costs also were a problem at the older plants (they are referring to Johnstown and Lackawanna here). 'We used to be able to have a few extra people and it wasn't a big deal,' says one Beth official. Such a casual view isn't possible any longer. Beth estimates that its average hourly employment costs currently total about \$14.00 an hour per man. 'That's where your savings are made,' says Vice Chairman Richard M. Smith.

"Beyond the direct payroll savings, Beth's job cuts seem likely to boost the productivity of its remaining shell shocked work force of over 90,000. Mr. Foy notes that 'we are already seeing indications' of improved productivity at Bethlehems mills. He believes that employees 'are concerned about what is happening with the steel business and they are saying to us that we're going to have to work harder."⁵

Re-organization of the industry: Organizing 20,000 of us out the door for good. Organizing those of us still on the job to work harder and faster. That's what is going on now. And you can be sure that more of the same is planned for the future.

What about the imports? Certainly they are not the cause of the problem. The facts and the statements of the steel makers themselves clearly show that the international crisis and the un-profitable nature of the American industry are the cause of the lay offs. So why are the steel companies making so big a deal about the foreign imports.

Foreign Imports - Smokescreen For Company Attacks

The steel companies are pushing the "threat is real from foreign steel" for two basic reasons. Number 1 they want the imports cut down because the generally lower price of imported steel acts as an anchor on the U.S. steel companies desires to raise their own prices.

Number 2 the anti-foreign imports scheme, especially when directed against the Japanese, is a political move to direct our attention away from those who are attacking us, namely the steel companies. In addition it is a maneuver to rally political support behind the

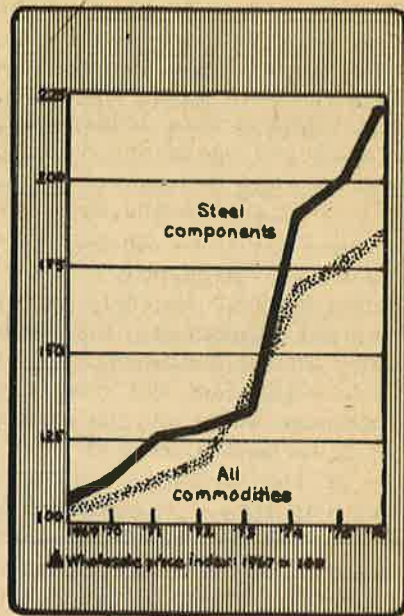


Chart III--Steel Prices Go Up Faster Than Other Wholesale Prices

This chart shows that steel prices (solid line) have been rising faster than wholesale prices (dotted line) as a whole. Since 1972 steel prices have risen 79%. This is 24% more than the average of other domestic industrial prices. Herein lies the threat of imports. The problem is that cheaper imports undermine the ability of the U.S. steel companies to jack up prices. This is why they are raising hell. It is not out of any concern for our jobs. Import controls would have little effect on production and employment. One, because of the generally sluggish state of the world economy and, two, because the difference between a "fair" level of imports and the current level doesn't add up to all that much in terms of total production.

Source: Bureau of Labor Statistics

"poor steel companies" who are being unfairly treated by the American government as well as the foreign powers. For example the steel companies would like to have looser anti-pollution laws, they would like more tax breaks and they would like looser anti-trust laws, as well as more strict limitations on imports. And on top of all this they want a workforce that will take the eliminations, the layoffs and the speed-up with the least amount of resistance as possible.

Already, according to Wednesday's Wall Street Journal, the companies have begun to get just what they want. The Journal reported: "In the meantime, the President's special trade representative, Robert Strauss, says he isn't ruling out any form of aid, from so-called orderly marketing agreements limiting steel imports to tax breaks and even changes in anti-trust laws."

To achieve all this, the companies have trotted out three big lies: (1) imports are alarmingly on the rise; (2) unfair government support; and that (3) the importation of foreign steel has caused the loss of American jobs.

The steel companies call on us to look at the facts but they hope that we never will, because the facts expose what is really going on and who is behind the smokescreen and for what reasons.

Foreign Imports Have Not Risen Tremendously

What about the steel companies charge that in the last year there has been a flood of imports into the U.S.? This is ridiculous and flies into the face of reality.

First of all the Japanese who are singled out as the main importer, shipped 4,530 million tons in the first seven months of 1976. In the same seven month period of 1977 the figure amounted to 4.566 million tons which is certainly no avalanche of imported steel. You could hardly call 36,000 tons of steel a flood. It's more like a trickle it seems to us.⁶ This increase over a seven month period is less than the ca-

capacity out-put of Youngstown Sheet and Tube Cambell works for a one week period.

If you included all foreign steel (Japan and Europe) together the imports have risen but again no great flood. Imports have averaged about 15% of the U.S. market between 1970-1974. In 1976 they represented 14% of the U.S. market. This year imports may reach 18%, but even this figure is not unheard of, in fact imports reached 18% in 1971.

Where is the big threat to our jobs? The truth is foreign imports only play a minor role on unemployment but as we said before what they do affect is the ability of the steel companies to raise prices. So the important factor here is not the percentage of the market but the functioning of the imports as a depressant on American steel prices. For example when the quota was put on the imports of foreign specialty steel last June the price immediately went up 8%. Less than a year after that another increase of 8% was put into effect.

But not only are the steel companies liars, they are damned liars. They want to whip up public sentiment against the imports, so to do this they ignore the facts and play up the Japanese as the main villian. This shows that they are not just bloodsuckers, but racist bloodsuckers, something minority workers here in the U.S. know only too well.

Has the Government Played Dirty With Big Steel?

The charge of unfair government support of foreign steel is a strange one. Especially coming from a country like ours, where government is created by and used for serving the interests of big business. All one has to do is look back a few years to the Lockheed scandal, (Lockheed was paying off Japanese politicians for contracts) to realize that among these capitalists, fair practices means anything that you can get away with. And, as for the example of Lockheed, the only thing special about them is that they got

caught.

Why hasn't the government gone along with the steel industry's demands for import restrictions? It's not because the government is interested only in the monopolies and corporations of other countries and not their own. If examined, the facts are quite the opposite. The corporate heads of many of the other industries here are dead set against it for two reasons. If restrictions were imposed, and the steel industry was able to raise prices of steel out of sight, it would mean that costs for other industries using steel would rise and make them less competitive in the world. Also, since many of these other corporations are world-wide enterprises and are heavy into trade and investment with other countries, a tariff or import restriction of foreign steel would lead to tariffs and restrictions on many U.S. goods leaving the country, made by Japanese and European governments in retaliation.

Has the government here been that unsympathetic to the steel companies as the steel barons would have us believe? Hardly. The 5 major price increases, while sparking controversy, have all stuck. The specialty steel quotas got over, restrictions were imposed and prices raised. And if there was ever a government giveaway, what about the Consent Decree where the steel companies (with government sanction) got away with paying peanuts to Black and Latin workers for past discrimination. The steel companies, plagued by their troubles, must have developed amnesia. Because 7 years ago, in 1970, the federal government let Bethlehem Steel, Republic Steel, National Steel and good old U.S. Steel off the hook and let them get away with paying no corporate taxes.

The point here isn't that the Japanese government is playing so fair and square, or that it's beyond them to give subsidies. But that monopoly enterprises, no matter which side of the ocean they're on, are basically the same, The real cause for foreign steel being cheaper is not mainly due to dumping and subsidies or underhanded methods and dirty tricks,

(though it's definitely not beyond the companies and governments both there and abroad to use all these) but to the superior efficiency, scale of production and technologically advanced equipment.

What About Imports and our Jobs?

But all this be what it may, say the steel companies and the union leaders, whatever the case with the size of the imports or the government help, you still got to see how the imports are putting us out of work. McBride, the president of our union, puts it straight out -- 1 million tons of foreign steel equals 6,000 steelworker jobs. That's the key equation he says -- so many tons equals so many jobs.

On the surface of it the argument sounds believable, even if the imports are not so big, someone is making steel that we could be making, and if we were making it, then there wouldn't be so many guys laid off.

But what appears to be, especially when it is dressed up in company mumbo jumbo is usually definitely not what is.

If the U.S. steelmakers were producing more steel would that mean that there would be more jobs? More specifically, if there were no imports, would Johnstown, would Lackawanna, would Youngstown still be open?

Fellow workers, think about it -- when has more production ever meant more jobs. What has our experience slaving for the steel giants taught us. In the last 20 years more than 100,000 jobs have been lost in the steel industry and production went way up.

Everybody has lived through it, we know the speedup, the harrassment behind the statistics. In the last 20 years production has soared some 30 million tons while the workforce was reduced. And that was red, white and blue, good old American steel that was being milled. Increased production, just like the increased production the companies say we will have if the imports are kept out. But look at

the results for us. We end up the same -- out the door or worked to death on the inside.

If the steel companies aren't trying to get us to save our jobs by stopping foreign steel, then they try to get us to save our jobs by helping them get higher steel prices. If we get higher prices we can generate the capital to build new plants and that will create more jobs.

More lies. U.S. Steel has proposed a new mill on the Ohio-Pennsylvania border dalled Conneaut. When this mill is built it will take one half the man hours to produce an ingot of steel. The overall effect of this new facility will not be the addition of jobs, but the construction of a highly automated facility which will allow U.S. Steel to employ fewer workers to produce more steel. But not only this, it will also allow them to shut down older, less efficient facilities.

Company Lies Can't Stand The Light Of Day

Imports are not the reason we find ourselves out of work. They are not stealing our jobs. It's the steel companies right here that are doing it, with the solid support of our international union.

The problem as we have seen is the international crisis in the steel industry and the cut throat competition between the steelmakers of all countries. Every company, foreign or domestic, will stop at nothing to expand their profits. American companies drive American companies out of business, and they can be hurt or driven under or bought out by foreign companies or do the same thing to them.

The foreign imports smokescreen is an attempt by the American companies to raise the price to help them re-organize the steel industry here so they can be in a better position both here and internationally to reap their profits.

But even more than this the steel companies have used the Foreign Imports to mis-direct our anger over what they are doing to us and to create public



Steelworkers from Cleveland area march through steel company exhibition in early October. The company made it a time to push their lies. We took the opportunity to speak for the interests of the rank and file.



Read it and weep. "Partners in Progress"; the local union president even worked out a deal to "loan" the company 10% of everybody's paycheck for the next 6 months to keep the plant open. Now the workers have lost both their jobs and the loans. Progress is now an empty parking lot.



opinion in their favor so they can win special concessions and favors from the government.

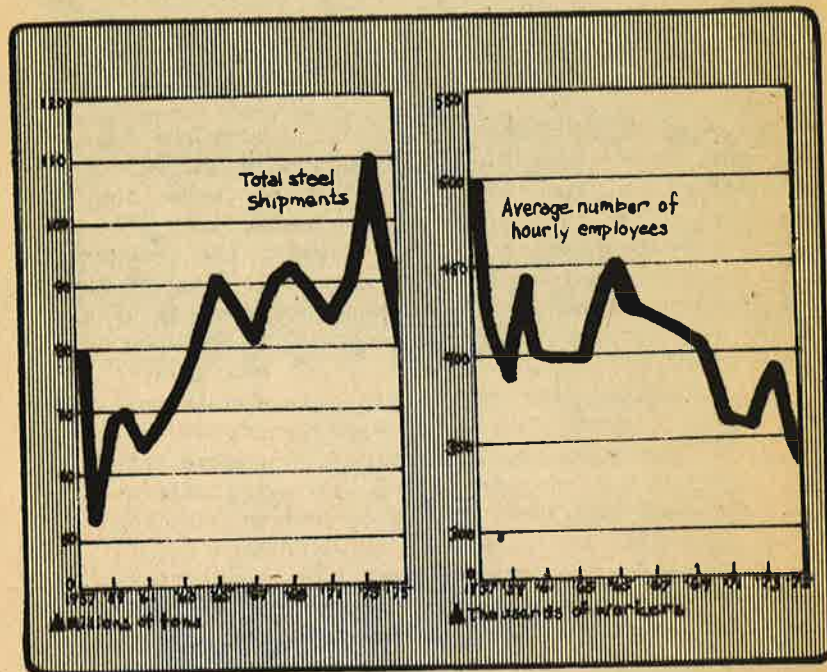


Chart IV--More U.S. Production Doesn't Equal More Jobs

This graph illustrates the relationship between production and employment. What it shows is that there has been a long-term trend towards more production out of fewer men. Take the starting point, 1957, which was a relatively good year for the industry. Production was in the area of 80 million tons and employment was over 500,000. Now look at 1973 when the industry set an all-time production record of over 111,000 tons. Total hourly employment was now less than 400,000. In other words, 100,000 jobs had vanished, and this had nothing to do with imports.

Source: Business Week

The real facts on the imports blow away the lies of the steel companies. There has been no giant flood of imports. The government by and large treats the steel companies just the same as always, just like a servant treats his master. And finally, the charge that the job eliminations were forced because of the import of foreign steel is nothing but a cheap ploy to let the companies off the hook and to keep those of us still working from building our resistance.

The actual picture of what is going on is much different than the steel companies would have us believe. They want to raise prices, not save jobs. Any imposition of import restrictions or tariffs will not save our jobs. So the bandwagon that the steel companies would have us climb aboard on, is one that will still roll us over to the unemployment lines. The only thing gained would be higher prices and more profits for the steel companies. But we, like working people everywhere, have a vital stake in the question of our jobs. This means that we have to look at the alternatives and make some big decisions. Waiting, hoping and praying for things to somehow get better isn't going to get us anywhere. And relying on the steel companies and/or the government to fix things up would be even worse.

The alternatives come down to two different roads to take. The road of cooperation with the steel companies, or the road of uniting the rank and file to fight these same companies. And when it gets down to it, we believe that the second road is the only real alternative we have.

PART TWO

WE CAN'T PLAY BY THEIR RULES

IF YOU BELIEVE THE COMPANY YOU LOSE

The steel companies are not running this big campaign on the imports for just the general information of the population. They want results. They want a union that keeps the lid on the workers, They want labor peace. To achieve this aim they not only lie like crazy but they turn things inside out. For example they are our friends now, and like a "true friend" they are pointing out who our real enemies are: other workers especially foreigners who are producing us out of our jobs. More based on determining friends and enemies for us, they (and our union leader friends) have come up with a whole host of policies and plans to "help" us out.

All of a sudden the steel companies are concerned about our jobs. What a joke, when they talk to us their every action is guided by their concern for our jobs. But when they go down to Washington D.C. to get their prices raised all they talk about is the high cost of labor. Never have a group of people put up so many posters, billboards, printed so many fliers and taken out so many newspaper adds talking about our jobs while they have been actively in the process of eliminating them.

As we said in the beginning of this pamphlet, the companies have a set game plan "suspension or cancellation of expansion plans, closing of facilities that are only marginally profitable . ." We have seen the beginning of what this means already in Johnstown, Youngstown etc. The companies and our union say this is the only way it could go down on us.

To what end? Certainly not to get our jobs back, certainly not to make conditions on the job any better, and certainly not to stop the crisis in the U.S. and world economy.

This cycle of the "company re-organization" is not over yet and we have lost over 20,000 jobs. And

who said this is the end that after these 20,000 go there will be no more to follow. We think there will definitely be more to follow in this cycle and additional reorganizations that are sure to come.

The situation we are in today can be compared to a situation where we are sitting down with the company in contract negotiations. They offer us a 20% wage cut and in response the union and the company join hands to organize us, not only to take the cut but to join with them in agreeing that these cuts will help us out.

Where in our history of dealing with the companies has this line of thinking ever worked. This isn't the first time we have heard about the imports and our jobs. If people remember, the steel companies were saying in the late 60's and early 70's that the threat of steel strikes led to hedge buying of foreign steel. When the contract settlement was reached, layoffs would follow in steel because other companies would be working off huge stockpiles built up in anticipation of a strike. So by removing the threat of a strike, the argument went, the incentives to build up these large inventories would no longer be there, hence imports would not gain as much ground, and jobs would be saved.

The signing of the Experimental Negotiating Agreement in '73 was praised to the skies by the corporation owners, their mouthpieces in the press, and many of the labor traitors who sit on top of the major unions in the country. "Innovative", "A better way to negotiate", they said. No longer, these people claimed, would workers have to fight for their just demands. Now, the workers and the steel companies would sit down together and, out of their sense of fair play, the companies would grant the workers what was just. Far from being new and experimental, this same line of b.s. was used 40 years ago, to try to keep us, our fathers and grandfathers from organizing the unions. Back then the companies set up company unions to try to stop the movement to build industrial unions. They said the same things back then. "Don't join the union. We can work things out

like one big happy family. Be good to us and we'll take good care of you." Well, it was a pack of lies then and it is a pack of lies now.

When the ENA was signed they said foreign imports would be curtailed and our jobs would be saved. Well, what's happened? Foreign imports have risen slightly--not declined. Since the signing of the ENA more than 50,000 jobs have been permanently lost--due to the steel companies productivity drives. So, what did we get? We got the right to strike taken away. And from the last contract we got shoved down our throats in Basic Steel, you can see why the steel companies are so fond of the No-Strike deal.

So, far from helping us out, the company and the international put the ropes around our necks. And we lose twice, first we get the shaft and second we get less organized to fight back.

To us, both of the things that are happening are related. What the steel companies don't want, an organized fighting rank and file, is what we must build. Not that we will solve all the problems in one week, that would be childish. But there is a giant difference between building a strong movement and arguing against uniting the rank and file in struggle to build a strong movement.

That's exactly what the international is doing. Arguing against the rank and file getting organized to fight. They and the companies parrot the same divisive line. Look out for your job. To hell with everyone else. The container division is being wiped out due to competition from the U.S. glass and aluminum industries--should we mount a campaign against glass and aluminum workers to save jobs, or should we be standing our ground in every industry in every country for jobs? U.S. Steel and coal companies supply huge amounts of iron ore and coal to Europe and Japan. Almost 25% of the major steelmaking materials were supplied by the U.S. and Japan. 7.5% of the metallurgical coal mined in this country goes for exports. Don't these exports mean jobs in the coalfields? Don't Japanese exports mean jobs for

Japanese workers? And couldn't an argument even be made that Japanese imported steel created jobs for longshoreman, warehousemen and truckers who handle it in the U.S? Some 84% of the incoming cargo to the Cleveland port is foreign steel(7). Import restrictions will certainly cut employment on the docks. What's more important, steel jobs or dock jobs? American jobs or Japanese jobs? Mine or yours? It's a devil's choice. And really it doesn't matter because things are getting worse for workers everywhere.

The steel companies and our union leadership tell us that we can't "worry about others--just look out for ourselves." But it doesn't have anything to do with "worrying". Our whole experience shows us that we can't look out for ourselves as workers, without uniting our ranks and fighting these corporations. Where does this lead, this game that the steel companies want us to play? Us or the Japanese workers; steel jobs or some other jobs--it goes right down to Frank or Joe working in the same mill. And it puts us all right in the bosses pocket. Fighting each other when our only real choice is to stand up and fight, support workers everywhere who are fighting, and aim our fire at the companies who are strangling us right here.

The only real choice we have, brothers and sisters, is the road of struggle. The road of fighting these steel companies, and their plans for us, tooth and nail. We can't be bound by their rules, by their "right" to lay us off, to close down the mills. We've got to come right up against it. It's their profits or our lives and security. Not both, but one or the other. We've got to draw a line between the two and line up on the side of our own well being, against their profit drives. It's not the easiest road to take, and there can be no guarantees that their plans can be stopped in every mill and plant in the country. But it's the only road to take.

Whatever gains we have made in this world we have made through struggle. Right now we are in a fight for our very jobs.

MAKE JOHNSTOWN - YOUNGSTOWN A DIVIDING LINE

At Bethlehem Steel's Johnstown Works, the workers there have drawn those lines sharply. When Beth announced that they were leaving the town and not rebuilding the mill after the floods, the workers there took action. Over 100 steelworkers with support from other area workers marched through the streets of Johnstown to the USWA District Headquarters and from there right to Beth Steel Headquarters. In carrying out that march, despite all the propaganda put out by the steel companies and local newspapers saying how nothing could be done about the situation, the steelworkers broke through the lies and misinformation and pointed the finger where it belonged. Right at Beth Steel and the union misleaders who backed them up in proclaiming that profits must come before lives.

Beth Steel has filled the newspapers with all sorts of "reasons" why they are shutting down. First it was the flood, then it was the restrictions put on them to meet pollution standards. Now, it's the foreign imports. Tomorrow it will be the laziness of American workers. But in Johnstown, the workers drew the line. They said: Keep the Mill Open--No Layoffs--No Cutbacks. And steelworkers all over the country have to draw the line too, and demand that Johnstown and now Youngstown stay open.

In doing this we have to walk on two legs. That is actively support the struggle in these towns against the jobs cuts and by uniting as many of our fellow workers to support the battles in these towns. A resolution is reprinted in the back of this pamphlet that should be passed in every local and sent to the workers at Johnstown and Youngtown and to the International.

The battle around Beth Steel and around Youngstown Campbell works should be taken up in conjunction with the battles waged in our own mills and plants. Recently, in Youngstown's Sheet and Tube's East Chicago Works, workers in one mill organized a "sick-in" when the company tried to mess with

their schedules. The call-off was more than 75% effective as the foremen there scurried around trying to run the mill without workers. The East Chicago facilities is where much of the work from Youngstown's Campbell Works is supposed to go. The action by the workers in the East Chicago plant should be built on, and linked up with the fight at the Campbells Works. We should look to organizing the workers around refusing to do any of the work coming from Campbell. The same thing goes for Beth Steel or any other company that closes a plant down. We could also look to organizing around seeing to it that no machinery gets moved out of any plant trying to close down or into another plant from one that's closing.

As for the foreign imports we should run this line of company thinking right out of our union. We sent a letter to the International to get the real story on the imports printed in Steel Labor. All members should also join in the effort to demand that this is printed.

In our locals we should also make sure that the real story gets out, that if the local leaders put out the company propaganda we should stand up and run down the facts and mobilize the rank and file to fight.

Fellow workers, the threat is real from profit hungry U.S. Steel. Right now we are under an attack on our standard of living and our will and ability to fight, to organize our ranks to stop from being crushed into the dirt and to build the kind of life that we can be proud of, for ourselves and for our families. We have, like the worker at Youngstown said, "been "betrayed and lied to". The same companies who want to be our "friends" have praised us and then kicked us out." And we, like those workers at Youngstown and millions of others just like them "don't want production jackets, we want jobs." And with all the strength and muscle we can mobilize, we will fight until we get them.

Appendix--

Japanese Steel Production

Compared to U.S. Steel Production

The Japanese steel industry was built up following World War II. It is more modern and efficient than the U.S. steel industry. Each of these charts points to the significant edge the Japanese have over the U.S. steelmakers. First it can be seen in Chart V that the Japanese use considerably less raw material to work up pig iron. The industry uses almost 30% less coke to produce one ton of steel. One reason for such great efficiency can be found in chart VI which compares the production capacities of Japan's largest mills with those of the U.S. It is generally the case that large capacity mills are more productive and reduce per-ton cost of making steel. And as can be found with chart VII, the Japanese replace older equipment faster than the U.S. steelmakers.

All these factors plus the favorable sea-side location of the Japanese steel industry (which reduces transportation costs) contribute to a definite cost advantage for the Japanese steel companies. The Merrill Lynch brokerage firm put this cost advantage at 30%.

The U.S. steel industry, however, maintains that there is no way the Japanese could undersell them, except through illegal government support and "dumping", or selling their steel below cost. To begin with, with, a study by the Council on Wage and Price Stability released in early October found that less than 1% of the total production in Japan and Germany are covered by government subsidies. And while the American, European and Japanese companies will resort to the most cut throat methods of winning foreign markets, be it bribing, dumping or downright swindling, it is mainly the lower production costs that make it possible for the Japanese to increase their market shares. Incidentally, it is the standard

operating practice for companies to get a foothold in a foreign market by underselling the domestic producers.

While the Japanese steel industry is more advanced technologically, it would be wrong to conclude that if only the U.S. companies had pushed ahead with modernization things would be alright. The more modern European steel industry is in worse shape than that of the U.S. In Japan, unemployment is at its highest level since 1959. And as we have pointed out, the latest in technology means just the opposite of more jobs--it means wiping out of whole departments and plants. It is the pursuit of profit that dictates production in these countries and the U.S. Today, despite the fact that there are people willing to work and useful things to be done, it is because there is a profits crisis that there is production falling and people are getting thrown out of work. This profits crisis is behind the mad-dog race for markets. And workers in Europe, Japan, and the U.S. are being forced to pay for this crisis in productivity drives, wage cuts, layoffs, and higher prices.

Sources: For U.S. mills-American Iron and Steel Institute, International Institute for Steel Studies

For Japanese mills-Ministry of International Trade and Industry
Japan Iron and Steel Federation

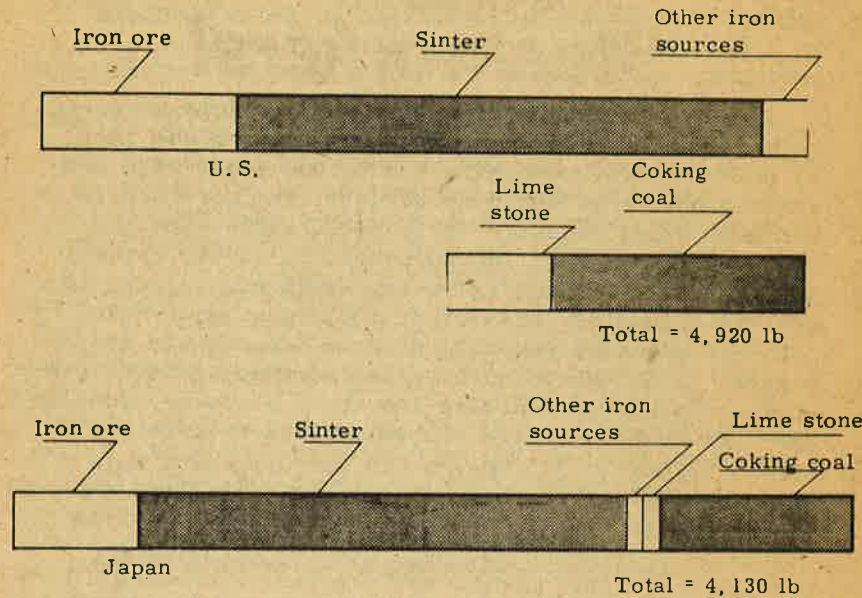
Footnotes---

1. *Japan figures - Far Eastern Economic Review, August 26, 1977*
2. *Capital expansion - same as above.*
3. *Business Week, June 23, 1975*
4. *Wall Street Journal, October 10, 1977*
5. *Wall Street Journal, October 10, 1977*
6. *Japanese tonnage.*
7. *Cleveland - Cuyahoga County Port Authority.*

Fellow Steelworkers!

The Beth steelworkers need the support of all steelworkers. Also, we demand that our union quit siding with the company and start **FIGHTING** the steel bosses. Lloyd McBride recently stated, "It's unfortunate, but the companies will do what they want anyway. They have to make profit." But for every gain we've made, from wage increases, to seniority, to the very right to have a union, we've always come up against their drive to make more profit against our need to live.

SUPPORT THE BETH WORKERS!
REOPEN THE MILL!
FIGHT FOR EVERY JOB!
FULL GUARANTEED S.U.B.!



Japan and U.S. Crude Steel Production
 Percentage by Type of Furnace
 (Unit: %)

Year	Japan			U.S.		
	Open hearth	BOF	Electric furnace	Open hearth	BOF	Electric furnace
1965	24.7	55.0	20.3	71.7	17.4	10.5
1970	4.1	79.2	16.7	36.5	48.2	15.3
1975	1.1	82.5	16.4	19.0	61.6	19.4
1976	0.5	80.9	18.6	18.3	62.4	19.2

RESOLUTION OF SUPPORT: We are asking all Steelworkers to fight to have this resolution taken up and passed at their Local Union Meetings:

WHEREAS Bethlehem Steel has announced cutbacks of 7,000 jobs in Johnstown, pa., and Lackawana, N.Y., and

WHEREAS We see this as a vicious attack on their very livelihood,

BE IT RESOLVED Our Local ___ supports the Bethlehem Steelworkers, and demands that Bethlehem Steel:
REOPEN THE MILLS NO CUTBACKS OR LAYOFFS
FULL GUARANTEED S.U.B.

We will actively support actions in the future to **FIGHT FOR EVERY JOB.**

MORE HYPOCRACY

The other side of this imports question is what the U.S. is doing in other countries. Speaking of Japan, as of 1975, IBM controlled 30%-- the largest single share--of the Japanese computer market. The big steel companies for another, haven't been barricading themselves behind the borders of the U.S. Beth Steel has raw materials properties in Venezuela, Chile, Mexico and Liberia. U.S. Steel has mining and manufacturing operations in South Africa where blacks are paid slave wages. Unfair Competition? Not when it's conducted by U.S. companies. Much of the same type of hypocrisy goes on in other industries too. Zenith Corp. has just announced massive lay offs at several of their plants, citing foreign imports and Japanese dumping as the cause. Remember their T.V. ads which talked about how American workers stand behind every color T.V. made and sold by Zenith? They don't talk about their black and white T.V.'s though. That's because they closed down those lines several years ago and sent them out to countries like Taiwan, where workers are paid slave wages. So much for their concern about jobs. Whether it's steel, garment, electronics, the big cry around "Buy American" campaigns is aimed at fattening the profits of the corporations, not saving any jobs.

Youngstown Exposed

The following article appeared in the New York Times of Thursday Sept. 22.

Looks like our "partner" is dealing from the bottom of the deck. So much for their concern for our jobs.

EAST CHICAGO, Ind., Sept. 21 (AP)—The Youngstown Sheet and Tube Company has been buying industrial equipment from Japan and West Germany while criticizing the increasing use of imported steel.

The company attributed a cutback in production that will mean some 5,000 layoffs to a sagging financial situation caused by the inroads that foreign steel-makers have made in the American market.

Last week a shipment of Japanese-made work rolls was delivered to Youngstown's Indiana Harbor plant—in crates painted over to disguise their nation of origin, according to a source at the plant.

The rolls are steel cylinders used in making sheet steel. A source said the shipment involved more than a dozen rolls weighing more than 350,000 pounds.

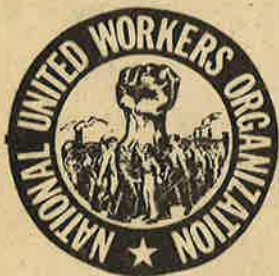
UNEMPLOYED WORKERS ORGANIZING COMMITTEE
NATIONAL UNITED WORKERS ORGANIZATION
NATIONAL CAMPAIGN
EMPLOYED - UNEMPLOYED - UNITE AND FIGHT FOR
JOBS OR INCOME
STOP THE DISMANTLEMENT OF THE UNEMPLOYMENT
INSURANCE SYSTEM
UNION JOBS AT UNION WAGES
DEMONSTRATIONS IN EAST - MIDWEST - SOUTH - WEST
WEST COAST END OF OCTOBER.
NATIONAL DEMONSTRATION AT CARTER'S STATE OF
THE UNION ADDRESS IN JANUARY.
STEELWORKERS -- LET'S FORM A GIANT CONTINGENT
IN THESE MARCHES AND JOIN IN THE FIGHT OF ALL
WORKING PEOPLE FOR THESE JUST DEMANDS.
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THE STEEL WORKER



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The voice of the rank and file steelworker, produced and paid for by rank and file workers, dedicated to promoting the resistance against the steel companies and determined to put our union, the USWA, back in the hands of the rank and file.

Contact **THE STEELWORKER** in your local area, or write: **STEELWORKER NEWSPAPER**, P.P. Box 5171, Baltimore, MD 21224, or call 301-563-1315.



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