

Alperovitz Tells How To Dismantle Steel

Gar Alperovitz, radical economist and Institute for Policy Studies fellow, announced at a press conference Dec. 13 that plans to sell the Youngstown Steel and Tube Plant to residents of the area are well on the way to completion. The plan not only does much to set a precedent for denying the steel industry much needed capital investment, but also sets precedents for pilfering

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workers' pension funds, and busting the United Steel Workers of America. The following is a recent interview with Gar Alperovitz:

Question: Mr. Alperovitz, you are a main mover in a plan to reopen the Youngstown Sheet and Tube Campbell Works. How do you expect to finance this project?

Answer: There are five sources of money. First, the workers themselves. You know workers can raise a lot of money with mortgages and things like that. There are already 200 to 300 worker-owned companies in the United States. Second, the community and suppliers; third, local and national church organizations. We have already 186 signatories on the church coalition call and we expect to have over 400 very soon. Fourth, ordinary private bank loans like the company used to get; and fifth, federal and state loans. The federal loans can come from the EDA — they have plenty of money for this kind of thing and the state may add some like Pennsylvania was going to do for a Volkswagen factory over there.

Q: What is the total cost of this project and how would it be raised?

A: Well, we haven't really gotten into that...I couldn't give you a figure, but we are having two feasibility studies done using the company's books. The plant has a lot of unsold inventory that could be used for collateral on loans.

Q: Do you think that protectionist measures will be necessary to make the plant competitive?

A: No, I haven't thought about that question. The plant will be ultra-modern, using the latest technology and having the highest ecological standards, and the best energy saving equipment.

Q: What kind of support do you have for this plan?

A: Well, we have a lot of church support and that is a major element in the community...

Q: Have you worked with the union involved?

A: Oh yes, I have had continuous discussion with the head of District 16 (United Steel Workers)...I think his name is spelled L-e-s-a-g-a-n-i-c-h or something. But when I say workers I don't necessarily mean the union. The union may try to represent the workers after the plant is worker-community owned but that will be decided later. The really exciting thing about this plan is the relationship between the workers and the community.

Q: Have you had any support in Washington?

A: Oh Yes, you've heard of the Treasury Report on the steel industry (the Solomon Report), well, we wrote the "community participation" section to make room for this kind of a project. We've also been working with the Urban Affairs Task Force and I'm sure that the Carter Administration will seriously consider this project as a pilot or a test for one of their weapons against unemployment.

Q: When do you expect this project to gell?

A: We're collecting "earnest money" right now but that won't amount to very much; it'll just be token of good faith. The churches are beginning to collect right now. I think in two to four months some hard decisions will be taken.

Q: Do you have support in Congress?

A: We've worked directly with Metzbaum's staff and of course also the local congressman, but I don't want to go through all of our contacts at this early stage.

Youngstown Steel And Tube — Test For Steel Industry

Negotiations are now underway on the Alperovitz plan between the Western Reserve Economic Development Agency (WREDA) and Youngstown Sheet and Tube to reopen the steel company's Campbell Works in Youngstown, Ohio, where 5,000 steel workers have been laid off in recent months. Among the options WREDA is proposing is purchasing Campbell Works from Youngstown Sheet and Tube through some combination of federal loan guarantees, private investment, and community financial participation. It appears that individuals like William Sullivan, who heads WREDA and the Steel Communities Coalition, are walking into the trap of seeking "case by case" "solutions" to the steel crisis, while postponing indefinitely dealing with the real issues — reviving demand from high technology production and expanding U.S. steel capacity.

According to a 70-page feasibility study prepared for WREDA by George Beattle, a Philadelphia consultant, it will cost \$535 million to start up the idle steel facilities and modernize them to make them profitable by 1983. A spokesman for Youngstown Sheet and Tube noted that this large figure doesn't even include the purchase price, and wondered where the community was going to come up with the money required.

A second feasibility study on community and worker participation is being prepared by Father Stanton of the Youngstown Religious Coalition.

One crucial angle that the Beattle study doesn't even mention is that without addressing the question of reviving the world economy, the only way the Campbell Works will be made profitable is through breaking work rules and imposing massive speedup.