

**EIR:** Why is the Tenn-Tom important?

**Rep. Beville:** It is getting more important each day because of the energy situation. . . . The demand for coal from the U.S. both domestically and abroad will continue to increase. Now, we can save \$2.60 a ton if we ship by water. Of course, the Tenn-Tom will connect Mobile Gulf with 16,000 miles of inland waterway.

Our farmers can ship and be competitive in foreign markets. They can save 15 cents a bushel on soybean exports. Also, steel shipping will be cheaper. . . .

The Corps [of Engineers] has environmentalists. I'm for it. But that is not to say that you can't build dams, roads, highways. The country has to progress, develop its resources. . . .

I am glad that these groups didn't get organized for 200 years, because if they did we'd not have been the most advanced country in the world. I have never seen as much misinformation as in the press on Tenn-Tom. The *New York Times* copied misleading information. None of the papers bothered to call the Corps. . . . I asked them to come in and testify—we have 800 projects eligible for funding, so if the Tenn-Tom is bad the subcommittee wants to know. Not one of them would come. The opposition all have something in common, they know nothing about the project.

*From an interview last autumn with Don Waldon, deputy administrator of the Tennessee-Tombigbee Waterway Authority and a former deputy assistant secretary of the Interior Department under the Ford administration:*

**EIR:** What will be the economic impact of Tenn-Tom?

**Waldon:** With the price of fuel becoming much more important in transportation costs, the distances saved are more important than they used to be. Much has been said, as Senator Moynihan put it, that Tenn-Tom is a cloning of the Mississippi River. In a way it does parallel the Mississippi, but it does not compete; what it does do is provide the shorter distance for commodities originating or terminating in some 14 states with the Eastern Gulf ports. When we built the interstate highway system, we didn't build just one highway running north-south or east-west.

Right now there are close to 5,000 people working on the waterway—not that many jobs, but keep in mind that the Tenn-Tom is located in the most depressed area of the country. Take a state like Mississippi: what the waterway will do is bring industries that are more capital-intensive and highly skilled, which normally locate along waterways because they need bulk transportation—like chemical plants and paper mills and steel fabrication plants.

Water projects, unlike other programs, have to be subjected to a sort of cost-benefit test that does not include those [overall] 135,000 new jobs.

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## Labor Strategy

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# Coal pact a victory against oil multitis

by Lonnie Wolfe

As *EIR* goes to press, the bargaining council of the United Mineworkers Union has approved a tentative three-year pact with Bituminous Coal Operators Association. Union leaders, led by President Sam Church, will now take the agreement, which calls for a 36 percent total package of wages and benefits, to the more than 160,000 soft-coal miners for ratification. Union sources expect the UMW membership to overwhelmingly approve the pact. Because of complicated ratification procedures, this will not take place before the contract expires March 27. Union tradition of "no contract, no work" will therefore produce a short strike.

Only a week ago, both union and industry spokesman were predicting a long strike—and with good reason. According to sources close to the negotiation, until hours before the agreement was reached early March 23, the BCOA, led by Bobby Brown of Continental Oil's Consolidation Coal, was locked on a strategy of deliberately provoking a long strike. Brown was following orders from the coal-owning multinational oil interests, who control nearly half of U.S. coal reserves. This grouping, which backs the resource and population control doctrines of the Carter administration's Global 2000 report and is led by individuals like Robert O. Anderson of ARCO, sources report, have no real desire to use coal as a major domestic energy source. Their plan is to keep energy prices high, enforce artificial scarcity, and sit on the reserves until the price of oil goes high enough to make synthetic petroleum production profitable. Meanwhile, they have refused to fund programs to develop processes for clean, efficient coal use, like magnetohydrodynamics while Anderson's Aspen Institute deploys environmentalist groups to block coal use.

It was judgment of the coal-owning oil multitis that a long strike would be to their benefit. Sources close to Consol's Bobby Brown report that in his opinion, the UMW, weakened by a decades-long union reform movement that undermined the centralized authority of the national leadership, could be disintegrated by a long strike. In addition, such a strike would bankrupt many of the smaller producers, leading to further consolidation of the industry in the hands of the oil multitis and such interests as U.S. Steel.

Our sources report that, up until the final hours, the BCOA negotiating team, led by Brown, was essentially bargaining in bad faith, seeking a deadlock. This is borne out by some facts which have leaked out from the negotiations. The UMW's first offer called for a 51 percent total package, of which nearly 10 percent was targeted to bolster the troubled union pension fund. The BCOA listened to the UMW's extensive documentation and proposed a ridiculous 19 percent.

Last week, the UMW reduced its offer to 45 percent and expressed willingness to discuss further concessions to avoid an unnecessary strike. The night and morning of March 16-17, it appeared that a settlement was imminent. If a contract was reached, any strike—even a short one—could have been avoided. Then in the early morning of March 17, Bobby Brown stormed into the room and presented the BCOA's final offer—take it or leave it—a 20 percent total package. It still demanded that the pension funds be dismantled, and placed on a company-by-company, rather than industry-wide basis. The BCOA further insisted on approval of a continuous seven-day work week—Sunday work—while insisting on retention of an arbitration panel which the UMW says has contributed to costly wildcat strikes. These demands had long since been rejected by UMW bargaining council, and would be rejected by the membership if offered in a pact.

As he presented the demands, Brown led the BCOA on walkout, vowing not to return to negotiations until the union capitulated.

Within a few hours, U.S. Steel, whose Bill Miller sat by Brown's side during the negotiations, fired six workers at one of its mines without reason or provocation. This triggered a series of wildcats that eventually involved more than 13,000 workers in three states. Union officials charged that the BCOA was deliberately trying to create a climate of violence and terrorism while undermining their ability to control the rank and file.

### **Strategic turning point**

Following strategy sessions, the UMW decided that it would make the real target of any strike not the coal industry, but the oil multinationals who were calling the shots. On March 20, President Church issued a six-page statement to the press denouncing the oil multitis for pushing the strike and explaining their strategy. Meanwhile, the UMW leadership planned a national media campaign to bring their message to the American people. Sources report that they were prepared to lead a fight against the high price of oil.

The shockwaves that this action sent through the corporate boardrooms could be indirectly seen in the lack of press coverage of the Church statement. The *New York Times*, which had been churning out column inches to set the stage for a strike, buried a 200-word report of the Church statement on an inside page and

forgot to mention that Bobby Brown was an employee of a subsidiary of Continental Oil.

Late on March 22, Brown suddenly decided to return to the bargaining table. Within six hours, a pact was reached. Brown backed down from his demands on the pension funds and the seven-day week, and agreed to eliminate the arbitration review board.

There is also another factor. Brown and the oil multitis were reportedly in direct contact with budget chief David Stockman and had received assurances of support. But the word is that the White House was in fact infuriated with the fact that the BCOA would push a strike for its own purposes.

UMW officials recognize that they are not out of the woods, since the oil multitis still have no interest in producing coal. The so-called coal boom is a hoax, built up around running up stockpiles for a long strike and on the relatively small export market, 10 percent of total production. There are still more than 100 million tons out of production and almost 20,000 UMW members on permanent layoffs. "We have a contract that we can live with," said one relieved union official. "The oil companies still don't want to produce coal. It is going to be a real battle and we know it."

## **The UMW exposes the plot against coal output**

*The following are excerpts from a statement released by United Mineworkers President Sam Church on March 20:*

It has become clear to me that in many ways the American people have been conned by Big Oil during these negotiations.

I believe that the big coal operators wanted a strike because their masters in Big Oil wanted a strike. They want a strike to break the union. They want a strike to break the smaller coal operators, and they want a strike to give them the opportunity to pick up the pieces of a fragmented and bankrupt coal industry.

We in the United Mineworkers, along with many, many others, are the intended victims.

The American consumer, the independent service station operator, the small coal operator, the small oil refiner or producer, and each and every one of the American people soon will be the complete and total energy captives. We are all going to suffer because of the avarice and greed of the major oil companies. . . . They have all the oil. Now they want all the coal. Every last possible ton.

Sixteen large oil companies hold some 63 billion tons of coal. The large portions of these holdings are owned by Continental Oil which is the parent of Consolidation Coal. The other names are household words: Exxon, Standard Oil, Phillips, Atlantic Richfield, Mobil.