Labor by Marianna Wertz

Wheeling-Pitt shakeup could end strike

There has been a "new beginning" in the no-win situation caused by anti-industrial policies directed against steel.

The bitter three-month strike of 8,200 Wheeling-Pittsburgh workers against the nation's seventh-largest steel producer may be nearing an end. Caught in a crossfire between the Trilateral Commission's post-industrial policy and Paul Volcker's high-interest-rate regime, Wheeling-Pitt was forced into Chapter 11 bankruptcy in April as a direct consequence of its attempt to modernize plant and equipment.

A new management team took over on Sept. 21, in an effort to "start fresh," to try to resolve the no-win conflict over whose blood is to be spilled to satisfy the creditors' demands for austerity.

George Ferris, new chief executive officer and vice chairman of the bankrupt Wheeling-Pittsburgh Steel Corporation, opened the door Sept. 25 to a settlement of the strike/lockout; following a "get acquainted" meeting with union officials, Ferris announced that the union and company have agreed to resume contract negotiations on Sept. 30.

Representatives of the United Steelworkers, declaring, "This is a new beginning," announced they will meet with company officials to review the books before talks commence.

The appointment of Ferris, a retired Ford Motor Company executive, was part of a widespread shakeup of management at Wheeling-Pittsburgh since Sept. 21, when chairman Dennis J. Carney was replaced by principal stockholder Allen E. Paulson. In addition to Carney, five other directors resigned under the combined pressure of union refusal to take deep wage cuts and the company's severe financial troubles, which threaten to force it into liquidation.

Wheeling-Pitt filed for bankruptcy under Chapter 11 of federal bankruptcy laws in April, to hold off creditors while it restructured its $514 million debt. In July, a federal bankruptcy court granted the company the right to abrogate its contract with the United Steelworkers of America, and slash wages from $21.40 an hour to $17.50. The union's 8,200 workers walked out July 21.

The mood of the union has been bitter since the strike began. Many steelworkers, accusing Carney of being aggressive and unyielding, have burned him in effigy at their protest marches and distributed bumper stickers proclaiming "Carney's Gotta Go." Paul D. Rusen, USW District 23 director and the union's chief negotiator in the dispute, told the *Pittsburgh Press*, "Dennis [Carney] put us in a position with some of the moves he's made that created an atmosphere very difficult to carry on rational discussions in." He cited Carney's attempt to bypass the union at company-sponsored community meetings and his instigation of an open-gate policy aimed at enticing workers to cross picket lines.

The principal task facing Wheeling-Pitt's new management, once the strike is ended, is reorganizing Wheeling-Pitt's debt without losing the company's renowned commitment to state-of-the-art steelmaking. Much of the company's debt was consciously accrued by Carney in an effort to make Wheeling-Pitt's nine plants the most modern—and therefore, the most productive—in America.

"I put my money where my mouth was," Carney said in defense of his performance as chairman. "I think you have to modernize no matter what. If you don't modernize, it's sure death."

Wheeling-Pitt was targeted for destruction by its competitors and its creditors, including some of the world's leading dope banks and insurance companies, precisely to prevent that kind of modernization from discrediting the post-industrial policy now dominant on Wall Street and in the nation's Eastern banking houses.

Political heavyweights in the region, including West Virginia's Sen. Jay Rockefeller (R), Pennsylvania's Sen. John Heinz (R), and Ohio's Gov. Richard Celeste (D), have all been pressuring for an end to the strike, which has created economic havoc in their states. A plan to bring in an "impartial examiner" to make recommendations that could resolve the dispute, is currently under study by the union and the company.

The shift in management at Wheeling-Pitt, while hopeful, is not necessarily conclusive. The austere economic conditions dictated by Volcker and the Trilateral Commission, whose purpose is to smash industrial production, have taken precedent over the well-being of the nation. Unless an effort is mounted by the Reagan administration now, from the standpoint of national security, to save the steel industry of this country, Wheeling-Pittsburgh will simply become another scalp in the Federal Reserve's gory pile of "victories."