

Wilbur Ross Cartel Dumps Mineworkers' Health Care

On Oct. 1, 2004, then-bankrupt Horizon Natural Resources, the coal company based in Kentucky, West Virginia, and Illinois, was acquired by corporate scavenger Wilbur Ross's firm, WL Ross & Co. LLC, to form the International Coal Group. A day earlier, U.S. District Court Judge Henry R. Wilmot had lifted a stay on a decision by Horizon Natural Resources to terminate health-care benefits for nearly 5,000 Horizon retired and active miners. This cleared the way for a takeover by Ross, who acquired the principal operations of Horizon, while shedding an estimated \$1.47 billion in predecessor liabilities, especially all of the so-called "legacy" obligations (health-care and other benefits), a practice which Ross had already applied to the bankrupted U.S. steel industry.

At the time of Ross's Horizon takeover, business commentators proclaimed that the acquisition was a move by

Ross to do for coal what he did for steel. Since 2000, Ross had created the International Steel Group by selectively buying up bankrupt iron and steel companies for pennies on the dollar, stripping retirees of health-care benefits, virtually eliminating work rules, passing the cost of pensions on to the Federal government, and, finally in April this year, making a killing by selling off ISG altogether, to Mittal Steel, the British-based wing of the international commodity cartels.

On March 31, 2005, Ross's ICG Inc. announced plans to buy a controlling interest in two West Virginia-based coal companies, Anker Coal Group Inc. and CoalQuest Development LLC. The Ross press release on the acquisitions made reference to forming a company "essentially free of legacy liabilities" (health and pension benefits).

Wilbur Ross himself is an inside part of the Rothschild financial grouping, formerly serving in New York as top official for Rothschild's American operations. Now Kirk Kerkorian is circling over the U.S. auto sector, hoping to do what Ross has done to steel and coal.

—*Patricia Salisbury*