When Rivers of Steel move Oceans Away

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Perhaps no better example of the tolls globalization can exact upon a community can be compounded as well as they are in the Pittsburgh steel communities. In this sense globalization is defined in its most simplistic terms; moving business capital out of a domestic region and relocating it overseas. Concerning the Pittsburgh steel communities and the business interests that were once mightily vested in them: a conclusive judgment as to the justification of the corporate decisions to globalize remains difficult to attain.

From a corporate aspect, following the cost-benefit analysis conducive to successful business ventures, the reallocation of production capital to overseas labor markets makes perfect sense. From a communal aspect the results were devastating and encompassed all aspects of the various communities’ standards of living. The difficulty of obtaining a conclusive judgment lays in determining the level of responsibility an industry has for the community in which it originated. In the pursuit of profit, the industrial giants of the Pittsburgh steel regions were either unaware or unconcerned with the consequences their decision to relocate would have on their then current localities. Regardless, the inevitability of globalization remains difficult to disprove. Without measures ensuring the survivability of communities, individuals are forced to weather the effects of change so inclusive, prevalence initially seems impossible. Under such circumstances the initial interpretation of globalization remains one of harsh realities and unwarranted uncertainties. However, against such odds many Americans display an amazing ability to overcome otherwise imperceptible hardships and utilize their resources as a means to ultimate perseverance. The tenacity of American citizens to carry on in the face of change introduces a precedent of self-pride. The prosperity and competitiveness of U.S.
industries, sustained by globalization, give the American people a sense of pride in their nation.

Pittsburgh originated as a strategic military location at the junction of the Monongahela, Allegheny, and Ohio rivers during the French and Indian Wars of the 18th Century. The walls of Fort Duquesne dominated this French controlled area of the colonial frontier until 1758 when the French abandoned their outpost in light of advancing British troops. The British destroyed the original fort and built one of their own subsequently naming it Fort Pitt. It was around this settlement that Pittsburgh and its surrounding areas grew. This area of Southwestern Pennsylvania has maintained its strategic significance on the American landscape throughout the centuries as the rivers evolved from catalysts of military importance into centers of industry and commerce. Commonly referred to as “the coal regions,” this area was rich in natural resources and the rivers provided a means of moving materials to distant markets. By 1803 the rivers of Pittsburgh were commonly used to ship coal to Philadelphia and New Orleans. The excavation of coal led to the rise of iron production. The Pittsburgh Almanac for that same year (1803) estimated that iron manufacturing totaled 180 tons of castings and bar iron and 40 tons of nails. In 1858 the forge works that eventually led to the Carnegie steel organization, which by 1900 would obtain capital in excess of 320,000,000 million dollars, first began operations. In 1881 the Homestead Mill of the Pittsburgh Bessemer Steel Company went into operation and a decade later became the site of one of the most violent and well-known union strikes in American Industrial history. Throughout the rest of the 19th century Pittsburgh and its surrounding areas, otherwise referred to as the

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1 [http://digital.library.pitt.edu/chronology/](http://digital.library.pitt.edu/chronology/)
2 [http://digital.library.pitt.edu/chronology/](http://digital.library.pitt.edu/chronology/)
Allegheny Valley, continued to grow at rates parallell to that of the industries of the area. Those industries grew at an unequivocal rate. By 1915 steel mills in Pittsburgh were operating 24 hours a day and Carnegie Steel increased its’ employment rosters by 8,000 employees to meet demands required by the nations at war. Fifteen years later, despite numerous labor union strikes, walkouts, and violent clashes with police, the steel corporations were reporting record high peacetime profits. The productivity continued to grow throughout the inter-war years and the steel plants and surrounding communities continued to expand as a result. With the onset of World War II, all of the areas steel mills were operating at 100% and all were undergoing major expansion. When the United States entered the war in 1942, 23,000 workers were added to the payrolls of the steel firms and for the first time in Pittsburgh’s history steel mills operated on Christmas Day. That same year Bessemer Steel’s famous Homestead mill approved the construction of a 75,000,000 million dollar expansion3.

Unbeknownst to all in the industry, the end of World War II signaled the beginning of the end for the prosperity, security, and daily life of the Pittsburgh mill workers. The latter half of the 1940’s was dominated by walkouts and strikes, both within the steel industry and the interrelated coal industry. Steel production hit a record low, the price per ton went up, and mills were reporting excessive spending to update and replace old equipment. The trend of rising prices and extensive renovations continued throughout the next decade and well into the 1960’s when 1,000 workers were laid off from U.S. Steel cutbacks.

3 http://digital.library.pitt.edu/chronology/
The most destructive blows were delivered to the Pittsburgh steel industry during the 1970’s. Domestic environmental controls, foreign competition, rising labor costs, and corporate taxes all proved devastating to the economic policies of the steel manufacturers. The resultant consequences of such stipulations were even more despoiling to the communities that were born of the steel industry. Between 1977 and 1983 twelve Southwestern Coal mines were closed, numerous steel mills were shut down and an estimated 60,000 people were laid off. A 1984 report by the Bureau of Labor Statistics reported the following:

Unemployment remains high among workers who lost their jobs due to plant closures or staff cuts between 1979 and 1984. Among workers with at least three years on the job before dismissal, only 60 percent had found jobs by January 1984 and, of these, 45 percent were earning less money in their new jobs. Many were forced to accept steep pay cuts of 20 percent or more. The prospect for finding new employment was directly related to the age of the displaced worker. Workers 20 to 24 years old fared best, with 70 percent finding new jobs. Among workers 55 to 64 years old, only 41 percent found new jobs. (Haas, 9)

As indicated the effects proved devastating as those who once enjoyed a comfortable, often highly prosperous, lifestyle struggled to maintain themselves above the poverty line.

The increased demands placed on the steel corporations by organized labor, when abused, (a frequent occurrence) helped to precipitate the fall of the industry. Higher wages and expanded health care benefits have often been the focus of the union strikes that have plagued the steel industry for almost as long as it has been in existence in the Untied States. Such strikes lead to a cessation of production which results in tremendous economic losses for the corporations. Considering the ideology set forth by David M. Roderick when he took over as chairman of U.S. Steel in 1979, “U.S. Steel is not in the

4http://digital.library.pitt.edu/chronology/
business of making steel. It is in the business of making money” (Haas, 23-24),
organized labor’s willingness to strike remains an influential factor when determining the
economic feasibility of maintaining current operations or moving them to a less “union
friendly” local. A 1980 report by the Business International Corporate Public Policy
Research titled Labor and the Multinational Corporation states,

Following the burst of reforms in industrial relations and social
welfare during the 1960s, the past decade has been characterized by
increased concern with the cost of social welfare programs…union
pressure and policies adopted by government regulatory agencies may
lead to increased government regulation in some areas, thus increasing
business expenses and decreasing company flexibility. Among the areas
in which new government initiatives are feared are: health and safety,
equal employment opportunity, plant closures, and social security and
pension programs (Haas, 16).

Union force capable of generating government regulation agencies could only be
furnished through national, trans-occupational, unity. However, actions on behalf of the
individual had their role in reducing U.S. labor union desirability in the eyes of the
corporate policy makers.

By adopting indolent practices, many union steel laborers often encumbered their
employers with the additional economical set back of paying for services not rendered.
Due to their union protected positions, “Many steelworkers bragged about not working
hard and making good money doing it. They would flaunt their paychecks and say ‘Not
bad for fours hours a day’” (Serrin, 380). In the early 1980’s New Kensington
(Allegheny Valley) native Chester Jack worked his way thru college by tending bar at an
establishment situated in the shadows of the smoke stacks of the Allegheny-Ludlum steel
plant. He recalls the conversations he held with many of his contemporaries who made a
living on union guaranteed jobs in the steel mills at the time. The young men often made
upwards of sixteen dollars an hour and at the end of a shift would stop by for a beer and brag about how they had really only done one hour’s worth of work in their eight hour shift. They would often share with their co-workers their inventive ways of “screwing off” for the rest of their shift. Such instances were often compounded if a laborer became disgruntled with a manager. They could often stall production for several hours due to the most minuscule incident. This was made possible by job specificity as required under union law. Mr. Jack remembered hearing a first hand account of such an incident from his father, who was a steel mill employee,

    If a bolt were to become loosened on a piece of machinery and needed tightened in order for work to continue, any person in the area was certainly capable of tightening the bolt. However, under union guidelines there may have only been a couple a people employed by the mill whose job description entailed tightening bolts on machinery. Only one of which would be working at the time the bolt came loose and the mill is an enormous place. If the guys working the area were pleased with their manager they would simply tighten the bolt themselves and continue working. However, if they were displeased with their manager for any reason they would insist that union regulations be followed. In such a large plant it could take a considerable amount of time to track down the ‘bolt tightener,’ and get him to the location of the loosened bolt. By the time the bolt is finally tightened so that work can continue, production could be stalled for several hours.

Although such instances are not unique to the steel industry the strength and influence of the labor unions in this industry facilitated the confidence of their subscribers. The cost of such acts is not inconsequential when considering the scale of operations. Even the smallest percentage of employee involvement in such acts remains influential in an industry that employs tens of thousands.

    This strength, influence, and plausible abuse of U.S. labor unions contribute to the attractiveness of investment in foreign capital for U.S. corporations. Consider the strategies adopted by two U.S. corporations which once rooted their primary production
facilities in the Allegheny valley: Allegheny-Ludlum, an industry leader in the production of stainless steel, and Alcoa, the world’s leading producer of aluminum. Both corporations are headquartered in Pittsburgh yet all but a skeleton of their production facilities have long ceased operating in Southwestern PA. Alcoa currently boasts 120,000 employees in 41 countries\(^5\) and Allegheny-Ludlum proudly displays its joint ventures with Russian and Chinese steel manufactures as well as production facilities in France, the United Kingdom, Italy, Germany, and Switzerland\(^6\). European nations also possess strong labor unions yet do not entertain the same amount of defiance from said unions as U.S. corporations must historically contend with. Generally, governments of European nations place a stronger emphasis on domestic manufacturing by subsidizing corporations through nationalized healthcare and promote a lower wage disparity between laborers and management. Both factors have been major areas of contention in many of the strikes that have taken place in the United States.

If the limited advantages of utilizing European labor forces over American labor forces are incentive enough to entice U.S. investment, then the Asian labor force contains an irresistible resource, “China’s labor costs are one-tenth that of comparable U.S. companies. It is clear we are not going to compete with China or any of the other emerging third world countries on labor cost”(Thompson). Currently Alcoa operates three manufacturing facilities in Japan, two in Korea, and four in China, while Allegheny-Ludlum maintains production and administrative facilities in China, Japan, Korea, Malaysia, and Taiwan. In 1999 Allegheny Technologies, the parent company to Allegheny-Ludlum began production in its’ newest most state of the art stainless steel

\(^5\) [http://alcoa.com](http://alcoa.com)

\(^6\) [http://alleghenyludlum.com](http://alleghenyludlum.com)
production facility in Shanghai, China. When considering labor forces alone this should come as no surprise considering, “China’s almost inexhaustible native labor supply, with over over 1.3 billion inhabitants has helped keep labor costs low, particularly as rural Western Chinese seek jobs in the industrialized East” (Carr). This economic enticement pulls U.S. industry into the Asian labor force and results in the transition of jobs from the U.S. to countries such as China. This phenomenon was not lost to Dennis Thompson, the director and CEO of the Doyle Center for Manufacturing Technology,

China now leads the global competition with low-cost labor and a government that is willing to invest in infrastructure and the latest technology to grow their market share in manufacturing. The Chinese already are leaders in steel, tool and die, electronics and now furniture manufacturing and the list continues to grow. Many large domestic [manufacturers] have decided that if we can’t beat them, then they will join them. They are now both building plants in China and outsourcing parts and components from Chinese companies to exploit the labor advantages.

As this trend continues to grow the availability of jobs for citizens of the U.S. in the manufacturing sector continue to decline and communities such as those in the Allegheny valley continue to suffer the consequence.

Another matter that defers U.S. manufacturers from maintaining domestic production facilities is the existence of pollution control laws enacted by all levels of government. When Pittsburgh’s steel mills were operating flat out in the post war years there were not any environmental laws encroaching upon their profits,

As it entered the 1960s, Pennsylvania had taken some steps to gain protection of the environment. There was a Department of Forests and Waters to manage state parks and forests, a Sanitary Water Board to administer a piece-meal Clean Streams Law, and a Department of Mines. There was a Fish Commission and a Game Commission, and not much else. There was no coordinated program to protect the environment. Most
important, there was nothing in the law to require that those who have an impact on the environment plan their activity so as to minimize the impact.

In 1970 the state of Pennsylvania created its first agency tasked with the responsibility to protect the environment. By combining the departments of Forests & Waters, Mines & Minerals and elements from the Health Department, the Department of Environmental Resources was born. In 1971 the Environmental Rights Amendment, guaranteeing all citizens the right to clean air and pure water, was added to the Pennsylvania Constitution. Two years later a new law is passed to authorize municipalities to establish local environmental advisory councils to identify local environmental issues and develop recommendations for local actions. By 1975 the Jones and Laughlin Steel Corporation signed a 200 million dollar pollution control agreement with the Environmental Protection Agency and sixteen months later U.S. Steel signed a 600 million dollar anti-pollution agreement with county and state officials. These concessions were signed at a time when the productions facilities were undergoing extensive renovations to up-date aging equipment and precipitated the majority of lay-offs that took place in the Allegheny Valley. Such penalties were not final and proved the predecessors of much greater environmental stipulations in which all U.S. industries must continually contend. In cost comparisons with the U.S., European pollution controls are menial. Developing Asian nations lack concern for environmental quality when weighed against foreign investment in industry and the development of infrastructure, further encouraging U.S. corporations to relocated production facilities to these areas. Some would argue that the discovery of increasing health hazards in the workplace and the environment indicates a need for more

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7 http://www.dep.state.us.HTM
8 http://www.dep.state.us.HTM
9http://digital.library.pitt.edu/chronology/
regulation, not less, “The US has the highest level of air pollution among industrialized nations. In the case of the steel industry the Japanese spent more on pollution control than the U.S. industry, both to absolute terms and as a percentage of a total investment. Pollution and safety levels in Japanese mills are on average far superior” (Haas, 17). However what those who subscribe to this line of thought fail to consider is: the cost of these pollution and safety levels are largely absorbed government subsidies of these programs rather than by the manufacturing corporations themselves. The same is not true for United States corporations which must absorb the costs themselves which in turn in negatively affects profits.

Pennsylvania’s strict business tax laws placed yet another burden upon the Pittsburgh steel producers. The state adopted policies that clearly favor new business over the existing ones, “Pennsylvania’s state laws place Pennsylvania at a competitive disadvantage compared to other states. Business taxes are higher and emphasis is placed upon attracting new business instead of retaining existing businesses. New development bonds must be repaid by higher taxes on existing Pennsylvania businesses” (Barensfeld). Although the legislators’ desire to attract new business enterprises remains a noble initiative, discrimination against existing business remains difficult to justify. What Pennsylvania’s legislators have historically failed to recognize is the existing corporations’ ability to move their capital elsewhere,

Capital mobility is a powerful instrument of blackmail which corporations use to exact tribute from state and local governments as well as workers. Cities and states are locked in a fierce competition to keep old industries and win new ones. The way to ‘win’ in this competition is by offering lower wages, and better tax incentives, public facilities and financing, and other forms of corporate welfare and legal bribery (Haas, 24).
The loss of Pittsburgh’s steel industry provides a clear example of ineffective state policy which discourages existing enterprises, those whom already employ local residents and pay state taxes, in order to attract the new. Such affirmations were not lost to the legislators of one of Pennsylvania’s fellow manufacturing states. A State of Michigan advertisement pictures a business executive pointing a gun to his head; his desk is covered with Pennsylvania state tax forms. The caption reads: “Two things in life are certain, death and taxes. At least in Michigan the taxes won’t kill you.” (Haas, 24)

In light of the extraordinary opposition the steel firms faced, their reallocation of capital from the Pittsburgh area to foreign markets seems inevitable.

In an attempt to enhance profits and exert greater control over labor, [industries] began to reorganize the geographic distribution of capital rather extensively in the early 1970’s. They fled northeastern markets, with their strong histories of labor unionization and expanding environmental regulation, for the Southeast region and foreign lands with weaker labor organizations, fewer local environmental restrictions, and so-called “pro-business” governments in order to reduce labor and production costs, thereby enhancing or protecting profit margins (Lynch, 135).

The cultural and social impact the lay-offs had on the small communities that surround the steel mills in the Allegheny Valley are shockingly apparent. In order for the steel corporations to globalize their operations they had to cease investment in their domestic capital,

Capital disinvestment is the process of removing capital from specific areas of the economy, whether cities, nations, or geographic regions, and relocating it in places that are more favorable for profit making. Historically, the process of capital disinvestment has included: transfer of capital and industry from cities to suburbs; capital transfers from manufacturing to, first, commercial ventures and, later, the service sector; the relocation of white-collar employment to the suburbs; the transference of capital overseas and the globalization of capital (Lynch, 135).
This is precisely the order of events that took place in the steel communities of the greater Pittsburgh area. In reference to the Allegheny valley a common phrase of the area once was “Where Allegheny-Ludlum goes, the Valley goes”. None thought that this phrase would ultimately prove itself false. The majority of Allegheny-Ludlum did go but the Valley still remains. What went unrealized or remained inconsequential to the corporate giants was the fact that their firms provided such profound social capital for their surrounding communities and disinvesting in their manufacturing capital resulted in disinvesting of the social capital as well, “Disinvestment did not mean simply that some people were out of work for awhile. It meant marginalization of entire neighborhoods and communities” (Lynch, 136). The Alcoa plant was once the number one employer in the town of New Kensington. During the plant’s years of operation New Kensington was a middle class town where children could be seen playing in yards, parents could rely on their children receiving a decent education from the public school system, and crime was limited to the typical high-schooler’s Halloween pranks. When Alcoa shut down its New Kensington plant the town slowly started to decay. The population dropped from 32,000 in 1970 to 16,000 by 1980. Property values rapidly dropped and many homeowners were stuck with mortgage payments that far exceeded the market worth of their homes, 

The average income of workers laid off in the past five years has been cut almost in half. The laid off workers whose household income averaged $22,000 a year in 1979, had a median household income of about $12,500 in 1983. 11 percent [of laid off steel workers surveyed] said they had been evicted and 38 percent said they had fallen behind in mortgage or rent payments (Haas, 30).

Most people were forced to sub-divide their homes into apartments; typically each floor of the house became an individual unit, and families moved out while young people and singles moved in. Today those neighborhoods are ghettos, New Kensington’s former
businesses are boarded up and the main commerce is crack. Valley High School situated in the heart of New Kensington currently operates two metal detectors and employs two uniformed security guards armed with nightsticks in order to break up fights,

A new immigration was occurring…. now poorer people, black and white, were replacing the families who were moving away. But whereas immigrants had once come with the hope of getting ahead, the newcomers had no hope. They brought with them the problems of the poor everywhere. Many were unkempt and did not take care of their homes. They used rough language and had brought with them violent ways. In the old days, immigrants could get mill jobs. There were no jobs for the newcomers, at least no jobs that paid much of anything. There was domestic violence, drug-abuse, robbery, and murder (Serrin, 368-369).

This level of decay was previously unheard of. In the years prior to World War II neighborhoods and communities had a mechanism for dealing with such crime decomposition of community worth. Mobility was generally restricted to public transit routes and when an increase of crime was experienced families would band together and reclaim their turf. In post World War II society, mobility has become exceptionally easy for all but the poorest of Americans. Most choose to relocate rather than stand in defiance to the vagrants who devalue their way of life. As those who could afford to move did, so did many of the local business and social services. When the steel corporations ceased to exist, so did the tax revenues that supported the local communities. Playgrounds and ball fields were overgrown with weeds and pavement became neglected. Local police and fire departments did not have the funds to support their rosters further reducing the public services once offered in abundance to citizens, “in 1976 Homestead had seventeen policemen. In 1987, it had six. In 1976, there were seventeen firefighters. In 1986, there were two full-time firefighters, and the rest of the force made up of volunteers” (Serrin, 383).
A possible explanation for such a drastic change in the social climate is offered by criminologist George Kelling and is commonly referred to as “Broken Windows”,

If a window in a building is broken and left unrepaired, all the rest of the windows will soon be broken. One unrepaired broken window is a signal that no one cares, and so breaking more windows costs nothing. A stable neighborhood of families who care for their homes, mind each other’s children, and confidently frown on unwanted intruders can change, in a few years or even months, to an inhospitable and frightening jungle. A piece of property is abandoned, weeds grow up, and a window is smashed. Adults stop scolding rowdy children; the children, emboldened, become more rowdy. Families move out, unattached adults move in. Teenagers gather in front of the corner store. The merchant asks them to move; they refuse. Fights occur. Litter accumulates. People start drinking in front of the grocers; in time an inebriate slumps to the sidewalk and is allowed to sleep it off. Pedestrians are approached by panhandlers (Wilson).

Most of the research conducted for “Broken Windows” took place in Newark, New Jersey but this theory seems to perfectly define the situation that has occurred in former steel communities of the Allegheny Valley. The abandoned property is the actual mills, complete with grown weeds and hundreds of broken windows. The middle class families are gone, the streets are littered with trash, and criminal activity is the only way of life for most.

It seemed with the exodus of the mills, there was a birth of hopelessness. Parents employed by the mill had raised their children on the premise that “the mill” would provide them the same support it had provided for them. It wasn’t until the steel industry fled the area that these children were left with few options, and even fewer resources to explore other avenues. “The rich kids can go to college and continue to get money and be rich, but the other kids aren’t able to go anywhere at all” (Serrin, 179).
It was ironic that, whereas in the old days many students in the Homestead district did not consider going to college because they knew that they could go into the mill, now, with the shutting-down of the Homestead Works and the other mills, it was becoming clear that if they were to have a chance in life, they would have to graduate from high school and go on for some advanced education. (Serrin, 179)

With the depletion of the areas socioeconomic status, the educational system was left without the support and assets it needed to instill a solid, well-rounded edification to its youngsters. The students were exposed to larger classes, and more to their detriment, teachers were forced to carry larger class loads. As the commerce that surrounded these communities became less and less prosperous, many of the teachers had to follow the commerce out of the area. Those who remained were subjected to even greater challenges, and the integrity of the student body began to suffer. These were issues that did not hold importance in the days of the thriving steel industry. Only school organizations supported by the remaining upper-echelons of the community remained intact, while the others only faltered.

With the decline in revenues, substantial cuts in school services had to be made. In 1978, the high school had eighty faculty members. By 1987, it had fifty-one. Drama and music, except for the marching band, which was popular with a number of parents who had influence in the community, were eliminated (Serrin, 381).

The school district is somewhat to blame in this fall of middle education; they had based all of their securities on the integrity of the mills, and placed little importance on planning for a future beyond the mills. Not much attention had been paid to how the money allotted to the school district was spent. In some ways, the teachers, and some of the other white collar professionals had developed distaste for the steelworkers. The teachers, in basic fulfillment of the requirements for their calling, had been to college for
four years, and some often more. The steel workers in town, many of whom had never finished high school, were making more money than the teachers, and were not quiet about it,

Many steelworkers denigrated the teachers, saying they did not work hard and that they often had to go to work in the mill during the summer to earn enough money to make ends meet. Only a man who wasn’t a man would work at an easy job, wear a shirt and tie, and not make enough money to support his family, some steelworkers said. As for the women teachers, they should be happy with whatever they got. After all, their husbands worked, or should. Now as the mills were going down and the steelworkers were losing their jobs, some of the teachers sat in their lounges and said, let them loose their jobs. They have two cars and a boat, and they never finished high school. They’re getting what they deserve. Jennie Yuhaschek could not understand this logic. “You people are idiots,” she told the other teachers. “Don’t you see that we’re all in the same boat, that we’re all going to go down together?” (Serrin, 180).

Little did either of them know how much they were reliant on one another. With no mill, there was no money. With no money, there were fewer and fewer teachers; fewer teachers, less quality of education. Less quality of education with little money and little commerce was the recipe for poverty that led to the landslide of the steel region.

When the steel industry left town so did the majority of the economic base for the small businesses in the area. Following plant closures, brand name department stores, hardware stores, and sporting goods shops were closing within minimal amount of time. Bingo halls, thrift shops, and state run liquor stores were taking their place, At the Goodwill store, a coat was selling for $9.95, an upholstered chair for $39, ice-skates for $2. But business was not as good as expected. ‘People are not used to buying secondhand,’ Irene Schrecengost, the manager, said. ‘The workers feel degraded by shopping at Goodwill’ (Serrin, 369). A newspaper article was published in the March 8, 2003 edition of the Pittsburgh Post-Gazette newspaper describing the circumstances that surrounded the closure of the establishment in which Mr. Jack tended bar. The
proprietors of the establishment were over 200,000 dollars in debt and were forced to close the business and sell the property. Mr. Jack commented, “That place used to be a goldmine. At any given time of the night or day the bar was always three people deep. It didn’t matter if it was seven o’clock in the morning, the bar would be full. That’s when the midnight shift [of the steel mill] got off duty and would stop in at the end of their shifts.” Such instances are the norm in the communities that once thrived upon the success of their steel mills. It is within these communities that globalization can be witnessed first hand. It can be seen on the boarded up buildings, heard with shriek of police sirens, and felt by the wind that scatters trash around the once prosperous neighborhoods. The only way in which these communities can be helped is by reestablishing a basis for economically and socially viable community life.

Undoubtedly the decisions of the corporate giants to relocate the majority of their production facilities elsewhere has had a devastating effect on the local communities and standard of living for the people living in the Allegheny Valley. In researching this matter, it remains plausible to seek the opinions of the corporate directors as to how they feel the cutbacks have affected the communities. When questioned about the cutbacks that took place during the 1970’s and 1980’s Dan Greenfield, the public relations director for Allegheny-Ludlum adamantly states that there were no cut backs in production. Mr. Greenfield stated that Allegheny-Ludlum switched from producing carbon steel to stainless steel in the 1940’s and that every year until 2001 stainless steel production increased an average of 4-5%. Mr. Greenfield challenges those who question him on the company’s decision to open plants in Asia to find a [stainless steel] product not made in an Asian assembly facility, “Go to any Wal-Mart or Target and look at any steel product
and tell me what it says on it. ‘Made in Taiwan’ or ‘Made in China’ is what you are most likely to see. And that’s only the products that you can see. It is important to keep in mind that many of the stainless steel products sold in the U.S. are not visible, such as the gears in your watch and other such small components”. Mr. Greenfield frankly stated that the company he represents moved its steel production facilities closer to its customers. Being that there was no reduction in overall production, (when considering the entirety of Allegheny Technologies global operations), at the time of the interview Mr. Greenfield was not interested in discussing the lay offs that took place within the Allegheny Valley in the 1970s-1980s.

Many have argued that the United States is a nation devoid of an individual, distinctive culture. It is true that the U.S. is composed of a plethora of different cultural, ethnic, religious, and racial identities. However, to claim that the United States, as a whole, does not possess its own cultural characteristic would be a denial of over two centuries of spiritual resilience, independence, personal sacrifices, and adaptability in the face of adversary. From the 18th century rum runners that broke British blockades in search of economic advantages, to the 19th century Southern plantation owners who nearly brought the Union to it’s knees in defense of their way of life, to the 20th Century civil rights marchers whom, through persistence, changed the laws that governed a nation, Americans have never been a people to stand back and let things happen. The American spirit of independence founded a culture of people not willing to take it on the chin and walk away. Those remaining in the Pittsburgh steel communities are another profound example of the personification of that culture. As mills closed and jobs disappeared most did not give up on the future. During the 1970s and 80s the world was
just stumbling into a technological revolution, which brought with it renewed hopes of employment opportunity. The citizens of mill towns heeded the hard lessons they learned and passed those lessons on to their children. Many of these children began to place their educational emphasis in the field of computer technology, much to the approval of, and often at the urge of, their parents. This refocusing of educational and employment efforts on the part of both individuals and corporations, has resulted in the consideration of the Pittsburgh area by many, as the Silicon Valley of the east coast. University sponsored job creation efforts in the fields of robotics, computers, and advanced medical technology were generated in the late 1980’s. By the year 2001, Carnegie Mellon University and the University of Pittsburgh began a 600 million dollar collaboration for biotechnology research and development.¹⁰ Five Pittsburgh companies are on the Fortune 500 list and public parks and leisure areas featuring hiking/biking/waking trials are springing up all along the riverbanks, many of which are situated on the location of former forges and mills. If the past is to serve as any sort of warning for the future, such community vigors are not infallible. Globalization has already begun to sink its teeth into the technological revitalization that Pittsburgh is experiencing. The Pittsburgh Post-Gazette newspaper ran a series of articles over a four day period beginning March 21, 2004 outlining the recent flow of service and computer-based jobs from Pittsburgh to India “The U.S. service economy, which until recently was securely anchored inside the country, is now beginning to go through the same scattering process of globalization that saw American manufacturing, from shoes and steel to textiles and televisions, migrate to lower-cost countries” (McKay, 3/21). The reasons for this shift parallel many of the same reason that manufacturing jobs followed this path decades ago, “Companies that are

¹⁰ http://digital.library.pitt.edu/chronology/
hiring service firms in India can often do the same job for perhaps 40 percent less than they could in the United States. An Indian programmer making $20,000 a year, for example, can replace an American who earns $80,000 a year or more” (McKay, 3/21). Further adding to this shift is the fact that sending a software project or back office operation overseas is much less obvious than closing a steel mill or industrial plant. If Pittsburgh’s employers continue on this trend, another full rotation of the globalization process will take its’ toll on the citizens of Pittsburgh, and they will once again be forced to prove their resolve and ability adapt to seemingly overwhelming adversity.
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