making.

That the companies would actually do such a thing is not altogether surprising. Less than one-third of U.S. Steel's assets are in steel-making, and a mere 8 percent of profits came from steel. The company has diversified into ship chartering, real estate, timberlands, African uranium and copper mining, office buildings, financing, and oil.

The company's investment in the last five years, which has nearly equaled that of Nippon Steel's, the largest Japanese manufacturer, has been so wasteful that the company is in fact "non-competitive" not only with Japanese makers but with many European mills as well.

Union aiding capacity shutdown

What is remarkable is that the United Steel Workers union which represents most workers in basic steel—but not in specialty steel which is largely non-union—has joined the specialty steel makers action against European steelmakers. A leading strategist for the union explained that the union believes there is "too much steel being produced in the world and all countries have to cut back."

"We didn't get any satisfaction from the Economic Summit meeting held in Brussels in December even though (Secretary of State) Al Haig was there. So we are taking these suits to force them to cut back along the lines of the Davignon Plan." The Davignon Plan, named for Count Etienne Davignon, one of Europe's leading post-industrial-society advocates and the head of the European Community's Steel Committee, would enforce Depression-level reductions in European steel production.

The union also defends the diversification of the steel companies out of steel. Jack Sheehan, the United Steel Workers top Washington lobbyist says that "diversification has helped the steel companies survive. Sheehan claims that the $6.7 billion that U.S. Steel spent to acquire Marathon Oil Company were "non-steel funds." Ed Hojinacki, a Chicago area UAW vice-president, says diversification doesn't worry him because, he asserted recently, U.S. Steel "has pledged to invest $350 million in a new rail mill here and to add continuous casters."

If the steel union lends uncritical support to the industry's plans for basic steel shutdowns, who will move to change the policies of 20 years of ruinous mismanagement? That question must be answered soon. Presently one-third of the steel workforce is unemployed while the nation's fourth largest producer, Republic Steel, says that its Supplemental Unemployment Benefits fund could be bankrupt by as early as the end of February.

U.S. Steel: a profile

Steel production for America's largest steel firm is hardly its largest concern. U.S. Steel's 1981 finished-steel production was 16.6 million tons, a half a million less than at the time of World War I. Only one-third of its assets and an eighth of the firm's profits now come from steel production. In 1980 U.S. Steel's profits from non-steel enterprises were $419 million; from steel production, $58 million.

Plans for U.S. Steel's $2 billion greenfield plant at Conneaut, Ohio have been scrapped; and the company refuses to reveal the now low percentage of its steel production which is continuously cast.

Created in 1902 when J. P. Morgan and John Meyer wrested control of Carnegie Steel, the firm is still under Morgan control. As of 1979, U.S. Steel's board of directors included David M. Roderick, a member of the International Council of Morgan Guaranty and a director of the Morgan-connected Aetna Life insurance company; John M. Meyer, Jr., son of the turn-of-the-century Meyer and chairman of the Directors Advisory Council of Morgan Guaranty; Robert Scrivener, chairman of Northern Telecom (an affiliate of the Morgan-controlled AT&T), commander of the Knights of Malta and supporter of the Communist Chinese; and William McChesney Martin, former Federal Reserve Board chairman and a director of Royal Dutch Shell.

John deButts, chairman of AT&T; John Filer, chairman of Aetna Life, and Cyrus Vance.

In 1970 U.S. Steel increasingly borrowed on its land assets and invested in high-yield paper. Thirteen percent of the firm's 1981 first-quarter profits came from reinvesting cash from borrowing and liquidations of land including $700 million worth of coal lands sold to British Petroleum-Sohio. Late in 1981 U.S. Steel used some $1.5 billion in ready cash, not to invest in steel production, but to buy Marathon Oil from United Brands' organized-crime-linked Fisher.

U.S. Steel has received over a billion dollars in federal tax subsidies by lease-back arrangements and by running half-billion-dollar quarterly book loses. Despite the extensive subsidies, the firm has complained about foreign company steel "dumping" and steel company "subsidization" by their governments and the firms' "dumping" steel onto the American market. U.S. Steel brought a $1.2 billion suit against the Japanese in 1977, which it dropped a year later.