

*A Fight for What Was Earned: Solidarity USA, Corporate Bankruptcy and the Fight for
the American Dream in the post-World War II Era*

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A Fight for What Was Earned: Solidarity USA, Corporate Bankruptcy and the Fight for the American Dream in the post-World War II Era

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ABSTRACT

In the wake of Youngstown's massive steel mill shutdowns in the late 1970s and early 1980s came a restructuring of the steel industry. Former steel producers such as Jones & Laughlin, Republic Steel and Lykes/Youngstown Sheet & Tube were swallowed up by the giant conglomerate LTV. LTV's takeover of faltering steel companies, beginning in the late 1960s, brought to the company enormous legacy costs in the form of "private-welfare" benefits such as health insurance and pensions. When LTV filed for bankruptcy, it was the retirees' health care benefits and pensions that bore the brunt of the corporation's restructuring. Newly dispossessed retirees had to draw upon their past experiences in order to work together to ameliorate their predicament.

The focus of *A Fight for What Was Earned: Solidarity USA, Corporate Bankruptcy and the Fight for the American Dream in the post-World War II Era* is on how a segment of LTV retirees were able to band together and form an organization designed to fight hegemonic, detached and non-empathetic institutions for their pension and benefits, which were taken away from them or diminished after the Ling Temco Vought Corporation's (LTV) July 17, 1986 Chapter 11 bankruptcy filing. It is my contention that in the midst of catastrophic bankruptcy LTV retirees formed Solidarity USA, a democratically run organization outside the control of the United Steelworkers of America, in order to use direct action to effectuate pro-retiree decisions by institutional leaders. Ultimately, this gave steel retirees a voice and a platform from which to redeem lost pension and health care benefits during the course of LTV's Chapter 11 restructuring.

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Introduction

On September 19, 1977, in Youngstown, Ohio, the phenomenon known as deindustrialization began to seep into the cracks of an aging industrial community. On that day, the Youngstown Sheet & Tube's Campbell Works, which had been in Youngstown since the turn of the twentieth century, announced that it was shutting down most of its steel operations eliminating over 5000 jobs. Over the next three years the city of Youngstown witnessed the shutdown of two other steel mills, ultimately, leaving the city and its people socially and economically degraded.¹

Deindustrialization, or simply the decline of America's industrial base, did not only wreak havoc on Youngstown, it also impacted other steel producing cities throughout the country, such as Homestead and Bethlehem, Pennsylvania and Chicago, Illinois, as well as industrial communities outside of steel production. The closing and/or movement of industries out of their traditional locations, primarily in the 1970s and 1980s, left once thriving geographic regions victims of a global economic transformation that disassociated itself from industry, and instead, moved toward a reliance on the technology and service sectors of the economy.²

¹ For more information about the shutdown of Youngstown's steel mills see Staughton Lynd, *The Fight Against Shutdowns: Youngstown's Steel Mill Closing* (San Pedro: Singlejack Books, 1982).

² For more information about the closing of the Homestead Steel mill see William Serrin, *Homestead: The Glory and Tragedy of an American Steel Town* (New York: Vintage Books, 1992); For more information about Bethlehem, Pennsylvania's steel mill closing see John Strohmeyer, *Crisis in Bethlehem: Big Steel's Struggle to Survive* (Pittsburgh: University of Pittsburgh Press, 1986); and for more information about the steel mill shutdowns in Chicago, Illinois, see David Bensman and Roberta Lynch *Rusted Dreams: Hard Times in a Steel Community* (New York: McGraw-Hill, 1987).

The academic community could not ignore the harsh realities produced by deindustrialization. They could not overlook the human and communal trauma associated with a vanishing industrial economy. Beginning in 1982, scholars began studying the erosion of American industry with the intent of establishing causation. These studies covered the entire spectrum of political and economic ideologies, from “free market theory” to “Marxism.”³ The numerous deindustrialization studies undertaken by scholars in the early 1980s brought to light many of the negative consequences associated with a declining American industrial base, consequences similar to what Youngstown faced in the late 1970s and early 1980s. Youngstown’s foray into the realm of deindustrialization greatly affected the lives of Youngstown’s steel workers and steel retirees. Ultimately, the associated negative effects of deindustrialization catalyzed multiple worker and retiree direct action campaigns, which in Youngstown and in other depressed industrial communities throughout the country, attempted to challenge the status quo. However, before there was a decline there was a period in United States history of unprecedented growth and prosperity. Unfortunately, for American industrial

³ The scholarship in regards to deindustrialization is vast. Numerous arguments have been made that cover the entire spectrum of deindustrialization, from the left to the right of the political spectrum and from the general to more focused regional and local studies. The major works pertaining to deindustrialization are as follows: Barry Bluestone and Bennett Harrison, *The Deindustrialization of America: Plant Closings, Community Abandonment and the Dismantling of Basic Industry* (New York: Basic Books, Inc, 1982); Jefferson Cowie and Joseph Heathcott, eds., *Beyond the Ruins: The Meanings of Deindustrialization* (Ithaca: ILR Press, 2003); Stephen High, *Industrial Sunset: The Making of North America’s Rust Belt 1969-1984* (Toronto: University of Toronto Press, 2003); Stephen High and David W. Lewis, *Corporate Wasteland: The Landscape and Memory of Deindustrialization* (Ithaca: ILR Press, 2007); Richard B. McKenzie, *Fugitive Industry: The Economics and Politics of Deindustrialization* (San Francisco: Pacific Institute for Public Policy Research, 1984); John C. Raines, Lenora E. Berson and David Mcl, Gracie, eds., *Community and Capital in Conflict: Plant Closings and Job Loss* (Philadelphia: Temple University Press, 1982); Lloyd Rodwin and Hidehiko Sazanami, eds., *Deindustrialization and Regional Economic Transformation: The Experience of the United States* (Boston: Unwin Hyman, 1989); Paul D. Staudohar and Holly E. Brown, eds., *Deindustrialization and Plant Closure* (Lexington: Lexington Books, 1987).

workers and their communities, that era of United States industrial domination was not permanent. Before one can fully grasp the concept of deindustrialization and its effects on industrial communities such as Youngstown, the era of prosperity needs to be understood.

The 1930s marked one of the ugliest economic chapters in American history. The Great Depression tested the resolve of most Americans, and the onset of World War II would test them even further. Coupled together, the Great Depression and World War II marked approximately 15 years of struggle and hardship for the American people. The struggle witnessed by the American people throughout the 1930s and into the 1940s helped to shape America's post-World War II outlook. Once the American people navigated through the turbulent war years and stabilized their diminished economy via massive government war spending, a more prosperous era was at hand. Eventually, the post-World War II period would see more Americans than ever before embark on a journey up the social mobility ladder. Furthermore, in the post war period, the United States would solidify itself as the world's economic leader.⁴

America's economic recovery and growth was very noticeable even during the war. In 1940 the United States Gross National Product (GNP) was 100 billion dollars. Over the next 4 years the U.S. GNP doubled to 210 billion dollars, highlighting an explosion in the country's economy.⁵ The United States' victory in World War II also helped to solidify its global economic hegemony. The war left in ruins once formidable

⁴ For a general overview of Post World War II America see James T. Patterson, *Grand Expectations: The United States, 1945-1974* (New York: Oxford University Press, 1996).

⁵ William Scheuerman, *The Steel Crisis: The Economics and Politics of a Declining Industry* (New York: Praeger, 1986), 45.

industrial competitors such as Germany and Japan as well as Great Britain and France, leaving the United States with no strong economic competition. By the start of the Cold War in 1947, a little more than one year after World War II ended, the United States accounted for the production of approximately 50 percent of goods worldwide.⁶

The United States global economic dominance continued to gain strength throughout the first two decades of the Cold War era. By the end of the 1950s, United States global economic supremacy seemed to most Americans a part of the natural order. For example in 1959, of the 156 largest multi-national corporations, 111 were based in the United States.⁷ By the end of the 1950s it appeared as if nothing could stop the juggernaut that was American industry. However, 1959 also marked one of the first signs that America's industrial base, especially basic steel, was losing some of its power. In 1959, for the first time ever steel imports exceeded steel exports.⁸

By the late 1950s, the first signs of economic trouble began to make themselves apparent; however, even into the 1960s, the United States economy still showed signs of growth and prosperity. As noted by Barry Bluestone in *Beyond the Ruins*, the 1960s witnessed an average annual economic growth of 4.1 percent as well as a relatively low unemployment rate of 4 percent. Bluestone also pointed out that throughout the decade of the 1960s, American families saw an increase in "real spendable income" of around 33

⁶ Scheuerman, *The Steel Crisis*, 45.

⁷ High, *Industrial Sunset*, 92.

⁸ William T. Hogan, *Economic History of the Iron and Steel Industry in the United States*, Volume 5 (Lexington: Lexington Books, 1971), 2035-2037.

percent.⁹ These indicators looked promising for the preservation of America's global economic hegemony as well as for the continued prosperity of its citizens. However, little did people expect that America's economic supremacy, especially in basic industry, would begin to fall apart and unravel like an un-tethered ball of yarn. Unfortunately by the 1970s, the promising economic numbers of the 1950s and 1960s would reverse their course, ultimately stagnating to the point where the 1970s only witnessed an economic growth of 2.9 percent per year and an increased standard of living of only 7 percent. Also, much of the growth generated throughout the 1970s was derived only in the first few years of the decade; specifically from 1970 to 1974.¹⁰ By 1976 the United States global corporate domination had diminished. In that year, of the largest 156 multinational corporations in the world, the United States could claim only 68, down from the 1959 high of 111.¹¹

Obviously United States economic supremacy was dwindling. High profile incidents of industrial shutdowns such as the closing of Youngstown Sheet & Tube's Campbell Works became a common theme in the media. For example, after Lykes Youngstown's decision to close the majority of its Youngstown based operations in 1977, ABC news ran a documentary special highlighting the community's struggle to overcome the negative consequences associated with deindustrialization.¹² The linkage of the 1970s with deindustrialization was initially inseparable. However, the scholarship that followed

⁹ Berry Bluestone, "Forward," in *Beyond the Ruins: The Meanings of Deindustrialization*, eds. Jefferson Cowie and Joseph Heathcott (Ithaca: ILR Press, 2003), vii-viii.

¹⁰ *Ibid.*, vii-viii.

¹¹ High, *Industrial Sunset*, 92.

¹² "The Fight Against Black Monday," McGraw Hill Films, 16mm, Container Number 107147-4, EC-12, The Youngstown Historical Center of Industry and Labor, Archives/Library, and the Ohio Historical Society.

Bluestone and Harrison began to highlight that deindustrialization was not just a phenomenon of the late 1970s and 1980s, but instead, could be traced back to the decline and migration to the South of New England's once robust and productive textile industry.¹³

Deindustrialization of northern industry continued after the degradation of New England's textile industry. For example Tami J. Friedman's study of Alexander Smiths, a Yonkers, New York, carpet and rug factory, describes how a once thriving northern carpet and rug manufacturer pulled up its roots in Yonkers and migrated to Mississippi in 1954.¹⁴ The relocation of Alexander Smiths was not due to business failure; but instead, a deliberate cost saving decision made on behalf of Alexander Smiths' ownership. Ultimately, the decision to move impacted the community of Yonkers greatly.

Outside of the Alexander Smiths example, post-World War II America provided economic opportunities for more people than ever before. With the entrenchment of collective bargaining and the "public-private-welfare" state in American society, and given the dominant position of American industry after the war, the outlook for economic prosperity for all seemed within reach.¹⁵

¹³ Gregory S. Wilson, "Deindustrialization, Poverty, and Federal Area Redevelopment in the United States," in *Beyond the Ruins: The Meaning of Deindustrialization*, eds. Jefferson Cowie and Joseph Heathcott (Ithaca: ILR Press, 2003), 181; Tami J. Friedman, "A Trail of Ghost Towns across Our Land," in *Beyond the Ruins: The Meaning of Deindustrialization*, eds. Jefferson Cowie and Joseph Heathcott (Ithaca: ILR Press, 2003), 20.

¹⁴ *Ibid*, 20, 42-43.

¹⁵ Jack Metzgar, *Striking Steel: Solidarity Remembered* (Philadelphia, Pa: Temple University Press, 2000), 31-45; For an in-depth look at the rise of America's private-welfare state see Jennifer Klein, *For All These Rights: Business, Labor, and the Shaping of America's Public-Private Welfare State* (Princeton: Princeton University Press, 2003)

The post-war decades of the 1950s and 1960s truly marked the halcyon days of American industry and industrial employment. During the 1950s and 1960s over one third of the American population was employed in manufacturing.¹⁶ The 1950s through the 1970s saw the creation of 1.5 million jobs each decade.¹⁷ The United States manufacturing sector was not only a large employer of people during the post-World War II era, it also, began to provide workers strong wages and benefits, due in large part to collective bargaining. The author of *The End of the Line*, Kathryn Marie Dudley, notes that “from 1963 to 1973 almost nine out of every ten new jobs created paid middle-income wages.”¹⁸

The post-World War II era also witnessed the private sectors ability to regain a trustworthy spot within the psyche of the American people. As pointed out in Jennifer Klein’s *For All These Rights: Business, Labor, and the Shaping of America’s Public-Private Welfare State*, the severe economic and social difficulties associated with the Great Depression eroded the stature of American business within the minds of most Americans. Franklin Delano Roosevelt’s New Deal policies brought to the forefront the ability and necessity for public security. Within America’s new found understanding and acceptance of public security via public welfare policies, American business became fearful of America’s ideological shift toward public welfare and hopeful that the ideological notions of security could be recaptured by the private market. Klein writes, “Yet the New Deal did not simply create the welfare state; it launched a new economy of

¹⁶ Dudley, *The End of the Line*, 38.

¹⁷ *Ibid.*, 37.

¹⁸ *Ibid.*, 33.

welfare in which the ideology of security proved to be a powerful construct.”¹⁹

According to Klein the close relationship labor had with government throughout the Great Depression and World War II needed to be usurped by business and brought back under the wing of the private sector. Post-war business and economic strength allowed the private sector to recapture the attention of the public and regain the trust and confidence of the American people. Post-war corporate America was able to massage the meaning and mentality of who should provide security for the American people; ultimately linking the security of America’s labor force to the post-war prosperity associated with the free-enterprise system. According to Klein, “Insurers and employers thus redefined the meaning of security, creating a new private, firm centered definition of security.”²⁰ This ideological shift ushered in a new era of welfare capitalism which business “...underwrote private welfare benefits, fragmented demand for expanded public benefits, and helped insulate firms through their increasingly significant role as financial intermediaries.”²¹ Unfortunately, by the end of the 1970s manufacturing jobs along with their associated wages and private-welfare benefits began to wane, and in some cases fall apart altogether. From 1979 to 1986, middle-income wage jobs were reduced from nine out of ten to one out of two.²² The 1970s also witnessed a reduction in industrial sector employment. 1978-1982 saw one in four manufacturing jobs lost as well as a steady decrease in manufacturing employment, down from thirty-three percent of the

¹⁹ Klein, 4.

²⁰ Klein, 7.

²¹ Klein 13.

²² Dudley, *The End of the Line*, 33.

work force in the 1950s and 1960s, to twenty percent in the 1970s, and seventeen percent by 1980.²³

Barry Bluestone's work on deindustrialization also highlighted deindustrialization's impact on jobs. Bluestone, when conducting his initial study, was shocked at what the numbers told him and colleague Bennett Harrison. Bluestone found, "between 1969 and 1976, 22.3 million jobs had disappeared as a result of plant closings and the interstate and overseas movement of business establishments. This was equivalent to nearly 39 percent of all the jobs that had existed in 1969."²⁴ A low cost labor pool found primarily in southern right-to-work states as well in countries overseas helped to ignite the displacement of industry from traditional industrial centers found in the Northeast and Midwest. These massive job loss numbers were also quite bleak when analyzed for the decade of the 1970s. In the 1970s, as estimated by Bluestone, approximately 32 to 38 million jobs were lost in the United States.²⁵ In 1977 alone over 40,000 steel jobs were lost, making life especially hard for steel communities such as Youngstown, Ohio.²⁶ Large scale job loss, especially in the manufacturing sector would continue into the 1980s, further eroding America's working/middle-class income demographic and facilitating America's economic reorientation toward a technology and serviced based economy.

²³ Ibid., 37-38.

²⁴ Barry Bluestone, "Deindustrialization and Unemployment in America," in *Deindustrialization and Plant Closure*, eds. Paul D. Staudohar and Holly E. Brown (Lexington: Lexington Books, 1987), 4; Stephen High and David W. Lewis, *Corporate Wasteland: The Landscape and Memory of Deindustrialization* (Ithaca: ILR Press, 2007), 3.

²⁵ Bluestone, "Deindustrialization and Unemployment in America," 4.

²⁶ High, *Industrial Sunset*, 122.

Deindustrialization negatively impacted the city of Youngstown, Ohio in the late 1970s. The loss of Youngstown's steel manufacturing base as well as the numerous subsidiary manufacturers who supported the steel industry, left the city once known as the "Ruhr Valley" of the west, a dilapidated shell of its former self. The closing of the majority of Youngstown's steel mills took its toll on the men and women of the community. Replacement jobs were not in abundance, communities associated with the steel mills lost vast portions of their tax base, and once thriving and vibrant neighborhoods deteriorated as the days, weeks and months after the steel mill closings continued. However, even in the face of overwhelming odds, groups within Youngstown, from steel workers to local government officials, and from activists to church leaders, banded together in an effort to preserve the industrial lifeblood of Youngstown. Disparate elements of the Youngstown community mobilized to form the Ecumenical Coalition, an organization composed of area clergy from numerous denominations, local citizens and displaced steel workers. Its mission was to plan, raise capital, and ultimately, purchase the closed steel mills in an effort to reopen them under steelworker/community management.²⁷ It is in the actions of the Ecumenical Coalition that one glimpses the spirit of community, solidarity, self-help and above all the agency of many of the citizens of Youngstown. A spirit forged from the days of the Great

²⁷ The books dealing with culture, the decline of steel and the changing landscape of Youngstown as well as the Ecumenical Coalition's fight to purchase and run many of the closed steel mills are as follows; Lynd, *The Fight Against Shutdowns*; Terry F. Buss and F. Stevens Redburn, *Shutdown at Youngstown: Public Policy for Mass Unemployment* (Albany: State University of New York Press, 1983); Thomas G. Fuechtmann, *Steeple and Stacks: Religion and Steel Crisis in Youngstown* (Cambridge: Cambridge University Press, 1989); Robert Bruno, *Steelworker Alley: How Class works in Youngstown* (Ithaca: ILR Press, 1999); Sherry Lee Linkon & John Russo, *Steel-town U.S.A.: Work and Memory in Youngstown* (Lawrence: University Press of Kansas, 2002); Sean Safford, *Why the Garden Club Couldn't Save Youngstown: The Transformation of the Rust Belt* (Cambridge: Harvard University Press, 2009)

Depression and the union organizing campaigns of the late 1930s, which might have lain dormant in the post-World War II era of collective bargaining, but once again flourished in the age of deindustrialization.

Scholars have already written much about the effects of deindustrialization on Youngstown in the late 1970s; however, deindustrialization and the erosion of America's steel industry continued to impact Youngstown in the years after the high profile steel mill closings. In 1986 the large conglomerate known as Ling Temco Vought (LTV) filed for Chapter 11 bankruptcy. LTV, the parent owner of two of Youngstown's former steel concerns the Youngstown Sheet and Tube Corporation and the Republic Steel Corporation, filed for Chapter 11 bankruptcy protection, and immediately cancelled the health and life benefits of over 70,000 LTV retirees, 11,500 of which were from the Youngstown area. In January 1987, those same retirees witnessed the takeover of their underfunded pension plan by the federal pension insurance agency known as the Pension Benefit Guarantee Corporation (PBGC). PBGC's takeover of LTV's pension plan ultimately reduced the pension checks of many area retirees, especially those not yet eligible for federal entitlements such as Social Security and Medicare. LTV's massive Chapter 11 bankruptcy once again made deindustrialization and the decline of America's steel industry a stark and biting reality in the lives of retirees, active steel workers and the citizens inextricably linked to LTV and its steel operations.

The impact of bankruptcy and the loss of benefits thought to be inviolable could have had a demoralizing effect on Youngstown area LTV Steel retirees. A defeated and acquiescent body of retirees could have given up and left their fate in the hands of

politicians, judges and union leaders; ultimately allowing hegemonic institutions to shape their futures without hearing the voice of the retirees most affected by the loss of benefits. However, this was not the case. In the wake of the devastating announcement of LTV's bankruptcy, and subsequent termination of health and life insurance benefits, many Youngstown area retirees formed their own organization called Solidarity USA in order to use direct action to effectuate pro-retiree decisions by institutional leaders. Initially rallying around the self-help philosophy of Delores Hrycyk, the wife of a former Republic Steel worker, retirees were able to create an organization based on democracy and dedicated to working to preserve the interests of all LTV retirees.

The effect of the LTV bankruptcy was truly devastating on the lives of its retirees, both those who became members of Solidarity USA and those who did not. Retirees, who for years believed that they would have a secure retirement, now had to face the fact that their dream of a stable future looked tenuous. The bleak news of the July 1986 LTV bankruptcy forced many LTV Steel retirees to act or be swept aside. Newly dispossessed retirees understood that they had to be vigilant in order to win back their full pension and benefit packages. LTV's bankruptcy forced LTV Steel retirees, especially those associated with Solidarity USA, to establish a collective spirit as well as a unity of purpose in order to maintain their voice amidst large, powerful and often hegemonic American institutions that were preventing them from collecting what they had rightly earned.

The following chapters will look at and address both the creation and evolution of the Ling Temco Vought Corporation as well as the creation of Solidarity USA and that

organizations reaction to lost private-welfare benefits stemming from LTV's Chapter 11 bankruptcy. Chapter 1 specifically looks at the rise and fall of LTV and the initial response and reaction of the Youngstown Community to LTV's bankruptcy. Chapter 2 charts the creation of Solidarity USA and its response to the loss of medical and pension benefits. Chapter 3 specifically looks at the creation of the Steelworkers, Organization of Active Retirees (SOAR), an organization created by the United Steel Workers of America (USWA) in order to recapture and secure the loyalty of over 600,000 USWA retirees and their spouses. Finally, Chapter 4 documents Solidarity USA's struggle to find a voice within their former union the USWA. Thus this story begins with a look at the formation, growth and decline of the Ling Temco Vought Corporation.

Chapter 1: The Rise, Fall, and Response to a Failed Conglomerate

LTV's founding:

The Ling Temco Vought Corporation (LTV) was formed in a 1961 merger between Ling Temco Electronics Inc., and the Chance Vought Corporation. A federal anti-trust lawsuit initially disrupted the merger. The federal government's lawsuit was based on the fact that both companies were heavily involved in producing products for the United States government. For example in 1960, 90 percent of Ling Temco Electronics' sales were to the United States government while Chance Vought, in that same year, had 75 percent of its sales go to the government. Because both companies sold a majority of their products to the government, the Justice Department found the merger to be in violation of Section 7 of the Clayton Anti-Trust Act. The Justice Department argued that the merger would diminish competition in the Defense Department, and subsequently on August 16, 1961, acted in court to stop the merger. Federal Judge Joe E. Estes, based in Dallas, Texas, denied the Justice Department's request for an injunction, which led the Justice Department to rethink its options. The Justice Department changed its tactics, and instead, filed a suit to break up or "divest" the newly merged company back into its original components. Judge Estes agreed to hear the government's divestiture case on November 20, 1961; however, long before the trial began, others more intimately involved in the merger had questions about its legality¹

¹ "Suit Challenges Ling-Temco, Vought merger: consolidation is in effect, Justice agency changes Antitrust law violation, restraining order denied," *Wall Street Journal*, August 17, 1961; "Agency seeks to split Ling-Temco Vought," *Wall Street Journal*, September 7, 1961.

Ironically, before the two companies officially merged, the Chance Vought Corporation had its own reservations about the merger. The company felt similar to the Justice Department, that a merger between Chance Vought and Ling Temco Electronics would reduce competition in the defense industry, and ultimately, be in violation of the Clayton Anti-Trust Act.² For six months both companies battled over whether or not to merge. In the end, Ling Temco Electronics won the day by legally forcing a stockholder's merger vote in late June 1961. Once the vote was taken the controversy between the two companies had dissipated with 90 percent of stockholders voting in favor of the merger.³ The newly merged Ling Temco Vought Corporation began its life with \$194 million dollars in assets and a management team poised to make the company a success. The management team was led by Robert McCulloch, Chairman of the Board, Grifford K. Johnson, President, and James J. Ling, Chairman of the Executive Committee; however, as mentioned early, upon approval of the merger, LTV's executive officers were forced to save the company in Judge Estes's court room.⁴

From its inception, LTV remained confident that the Justice Department's case was not valid. In fact, LTV officially took the position that the merger of Chance Vought and Ling Temco would not diminish competition in the defense industry but rather bolster it. LTV argued that the merger would help the company compete against the larger, and already established, defense contracting firms.⁵ When asked by reporters

² "Court upholds merger of Vought and Ling-Temco," *Wall Street Journal*, November 27, 1961.

³ "Holders of Ling-Temco, Chance Vought Vote Merger Proposal," *Wall Street Journal*, July 3, 1961.

⁴ "Suit Challenges Ling-Temco, Vought Merger" *Wall Street Journal*, August 17, 1961

⁵ "Court upholds merger of Vought and Ling-Temco," *Wall Street Journal*, November 27, 1961

about the outlook of the anti-trust case, LTV's Executive Chairman James J. Ling responded with confidence stating, "We continue to look forward to a trial on its merits in November. It is the opinion of our counsel that we will win this case and we are extremely confident that we will do so."⁶ James J. Ling's confidence proved to be prophetic. After a three day trial beginning November 20, 1961, Judge Estes found the Justice Department's argument to be lacking. The judge ruled that the two companies, Chance Vought and Ling Temco Electronics, were not competitors before the merger, and therefore, the merger would not reduce competition. He officially stated, "There is no reason to assume that acquisition of Chance Vought by Ling-Temco would in any way lessen competition in the industry."⁷ After the judge rendered his decision, LTV's executives were ecstatic about the outcome. The judge's decision legitimized the company under the law and enabled management to begin the work of structuring the company to be a competitive conglomerate in an ever changing market. Judge Estes' decision enabled LTV to expand; paving the way for the "Master Mind" James J. Ling to ascend to the highest rank within the company, ultimately leading LTV to what at first seemed to be a prosperous future.

The Master Mind

After LTV's antitrust court battle came to a conclusion, the company initiated a plan to focus on defense production. To do this they began to sell off parts of the company not specifically geared toward defense such as a Vought Industries subsidiary

⁶ "Ling-Temco Suit Amended," *Wall Street Journal*, September 18, 1961.

⁷ "Court upholds merger of Vought and Ling-Temco," *Wall Street Journal*, November 27, 1961.

that produced trailer homes.⁸ From 1961 to 1963, LTV's focus on defense production prevailed. In March 1963 the company sold its LTV Industrial Division, which primarily produced appliances, to L.T. Industries, Inc., of Garland, Texas, again shedding a subsidiary outside of the defense model.⁹ Ultimately, over the period from 1961 to 1963, LTV reduced its operating divisions by almost half; from 23 in 1961 to only 12 in 1963, each focused primarily on defense.¹⁰ LTV's myopic fixation on defense production initially proved fruitful when in 1962 the company witnessed retained earnings of \$14.8 million as compared with \$6.1 million in 1961.¹¹ With their robust 1962 profits, LTV was poised to continue its early success; however, by the summer of 1963 LTV's profitability was waning.

LTV's 1963 earnings raised numerous questions as to why the company's numbers had dropped from the previous year. In July 1963, LTV's Chief Executive Officer James J. Ling attempted to answer these tough questions. Ling's argument for the drop was based on taxes. In essence, Ling argued that the company's 1963 pre-tax earnings were better than its 1962 earnings due to a tax-carryover from 1961. The tax-carryover exempted LTV from paying 1962 taxes, which significantly bolstered their 1962 earnings. Thus, in 1963, LTV was obligated again to pay federal taxes, which eroded their 1963 earnings making it look as if the company was struggling. In fact, Ling

⁸ Oliver J. Ginggold, "Abreast of the Market," *Wall Street Journal*, December 7, 1961.

⁹ "Ling-Temco Vought Sells Its LTV Industrial Unit to New Texas Company," *Wall Street Journal*, March 6, 1963.

¹⁰ "Ling-Temco Puts '63 Net Below '62 Due to Taxes," *Wall Street Journal*, July 26, 1963.

¹¹ "Ling-Temco Vought Inc and Subsidiaries: Balance sheet items as of December 1962 and 1961," *Wall Street Journal*, March 20, 1963.

estimated LTV's 1963 pre-tax profit to be almost \$2.5 million more than 1962 with similar sales numbers between the two years.¹²

In October 1963, after stockholders raised questions about LTV's deflated profitability, James J. Ling replaced Robert McCulloch as LTV's Chairman of the Board.¹³ From the outset, Ling did not hesitate to initiate his own policies and mold the company to his own vision. Ling plunged head first into his new leadership position by addressing LTV's long term debt obligations. In the fall of 1963 LTV had a substantial long term debt obligation hovering around \$61 million. Ling's plan called for the company to pay back almost half of its long term debt, approximately \$27 million, leaving the company with a remaining long term debt obligation of approximately \$34 million.¹⁴ James Ling understood that early in his reign extensive debt was not compatible with his growth strategy. In Ling's view, a heavy debt burden made the company less attractive to the banking community, which in turn, limited LTV's ability to raise the capital needed to execute Ling's business model, a model that LTV would significantly profit by from 1964 to 1969.

Throughout the remainder of the 1960s, James J. Ling established himself as a controversial figure within the business community. Some business men felt that James Ling was nothing but a "Corporate Raider." However, others felt that he was nothing short of a genius. Admirers of Ling likened him to a business wizard, able to shake his

¹² "Ling-Temco Puts '63 net below '62 due to Taxes," *Wall Street Journal*, July 26, 1963.

¹³ "Ling Elected Chairman of Ling-Temco-Vought, Succeeding McCulloch," *Wall Street Journal*, October 14, 1963.

¹⁴ "Ling-Temco-Vought Inc reports for the quarter ended September 30 1963 and 1962," *Wall Street Journal*, November 6, 1963; "Ling-Temco-Vought to Redeem \$27,029,880 of longer issues December 27," *Wall Street Journal*, November 25, 1963.

magic wand and make his company's profits grow exponentially one acquisition at a time. By 1967 the business community was trying to come to terms with Ling and his business model, which on the surface had definitely paid off for LTV and its stockholders. For instance, in 1967 LTV had projected revenues of \$1.8 billion, which was more than 3 times LTV's 1966 revenue of \$468 million, and significantly higher than the company's 1961 revenue of \$6.1 million.¹⁵ Obviously, Ling's business model looked to be a success; however, many of Ling's naysayers would prove to be prescient.

James J. Ling was a man of vision and purpose. Lacking a formal business education, Ling was able to establish himself within the post-World War II business community. In 1947 he founded Ling Electronics Company, working diligently to grow and expand his new enterprise, even going to the extreme of selling his company's stock door-to-door as well as at the Texas State Fair. In 1960, Ling brokered a deal to merge his company with the Temco Aircraft Corporation, which marked the starting point for Ling's prolific thirst for acquisitions and mergers. This thirst continued into 1961, when Ling helped to broker the previously discussed, and highly controversial merger between Ling-Temco Electronics and Chance Vought Aircraft Inc.¹⁶ As is evident, James Ling was not the average Harvard MBA cut from the cloth of "Old Money," but instead, he was a scrappy, driven individual who tried hard to establish himself in a world of privilege. Ultimately, his meteoric rise to the top, and subsequent success, had many in the business community baffled, skeptical and in many cases in "awe" of his techniques.

¹⁵ James C. Tanner, "Ling's Empire: LTV Keeps Expanding On Borrowed Money, Stock Price Increases," *Wall Street Journal*, August 18, 1967.

¹⁶ "Ling Elected Chairman of Ling-Temco-Vought, Succeeding McCulloch," *Wall Street Journal*, October 14, 1963; James C. Tanner, "Ling's Empire...."

Throughout the 1960s Ling implemented his own unique approach to running LTV. Helping to pioneer the growth of corporate conglomerates in the post-war era, James Ling implemented what he called “...a new breed of conglomerate.”¹⁷ Ling’s strategy revolved around the ability to borrow vast sums of money, which in turn enabled LTV to purchase a majority stake in a company’s stock. Once LTV controlled a majority of a company’s stock, it would then make an offer to buy out the rest of the outstanding stock thereby officially absorbing the company under the LTV umbrella. After LTV had official control of the purchased company they designated the newly purchased company as an independent subsidiary of LTV, and subsequently, issued 20 to 30 percent of the new subsidiary’s stock for purchase. This ensured that LTV controlled the remaining 70 to 80 percent of the new subsidiary’s stock. By doing this the stock value of the new subsidiary would rise and the majority holder of the newly issued stock, in this case LTV, profited immensely. LTV’s increased capital generated by this scheme was then used as collateral enabling LTV to secure larger loans for more acquisitions. In essence, every time James Ling and LTV purchased a new subsidiary, the profits generated from the purchase enabled the company to expand rapidly in both size and profits.¹⁸

Ling’s model also steered the company away from its earlier focus on defense, and instead, relied on diversification. LTV focused on diversifying its subsidiaries primarily to avoid anti-trust lawsuits. In Ling’s opinion, even though LTV was growing

¹⁷ James C. Tanner, “Ling’s Empire...”; For a more in-depth look at James Ling see Robert Sobel, *The Rise and Fall of the Conglomerate Kings* (Washington D.C.: Beardbooks, 1999), Chapter 4; A conglomerate is “A broadly diversified corporation that offers a large number of products and/or services in many unrelated industries,” this definition was derived from Jeffrey B. Little and Lucien Rhodes, *Understanding Wall Street* (Liberty Hall Press, McGraw-Hill, Inc., 1991), 237.

¹⁸ James C. Tanner, “Ling’s Empire....”

exponentially in size, its ability to avoid the perception of monopoly was a crucial element in his overall strategy. To Ling, anti-trust suits would only bring scrutiny to the company and in the long run would work to devalue its growing stock price. The strategy of diversification also enabled LTV to weather downturns in individual markets, creating subsidiaries as standalone entities with standalone management ensured a management team more focused on production at the lowest level, and in turn, made the subsidiary more attractive to the prospective stock buyer. Ling's unique business strategy is best captured in Wall Street Journal reporter James C. Tanner's description of LTV's purchase of the Wilson Corporation, which owned companies in the meat packing, sporting goods and pharmaceutical industries. In describing the Wilson takeover Tanner wrote:

With \$80 million borrowed from U.S. and European lenders, he [James J. Ling] bought a controlling interest in Wilson. A new issue of LTV convertible preferred stock was created to be exchanged for the remaining outstanding shares of Wilson. The value of the convertible preferred, on paper, was \$118.5 million. Wilson was then split into three LTV subsidiaries: Wilson & Co. (Meatpacking), Wilson Sporting Goods Co. and Wilson Pharmaceutical & Chemical Corp....Each subsidiary then sold a portion of its stock to the public.¹⁹

Ultimately, the sale of stock to the public ameliorated much of LTV's debt and subsequently generated substantial profits for the holding company, enabling LTV to continue on with their next merger.

Ling and LTV continued down the road of expanding their conglomerate through the purchase of the Allis-Chalmers Corporation (a manufacturer of high-quality farm

¹⁹ James C. Tanner, "Ling's Empire...."

equipment) in 1967 and the Great America Corporation (a conglomerate who owned Braniff Airways) in 1968. Each of these acquisitions came with extreme price tags, approximately \$200 million for the Allis-Chalmers purchase and \$500 million for the Great America purchase.²⁰ Ling's acquisition strategy of constant and sustained growth as noted earlier was profitable; however, this strategy, which witnessed LTV take on prolific amounts of debt, relied on placid market conditions as well as continued stockholder confidence in the Ling strategy. In the end, Ling's insatiable appetite for acquisition and growth, as well as his decision to enter the steel market would prove to be the poison pill that would bring down the giant conglomerate and diminish Ling's star power.

LTV Enters Steel

By 1968, the Justice Department began to focus its attention on LTV's prolific quest for corporate acquisitions. The scrutiny was intense, so much so, that James Ling began to voice publicly his concern over what he viewed as government encroachment into the private affairs of business. Speaking at a business event in September 1968, Ling argued that the Justice Department's investigation into possible LTV anti-trust violations were unfounded, due to the fact that LTV did not monopolize any one particular market, even though it had its hands in numerous market areas. At the September speaking engagement Ling commented:

What is important, what is purely democratic, what is vital to the entrepreneurial system is the absolute right to get together. As long as we are in compliance with

²⁰ James C. Tanner, "Ling's Empire...."; Jim Hyatt, "LTV's New capitalization plan intrigues, impresses most analysts and investors," *Wall Street Journal*, March 11, 1968.

the known laws concerning monopolistic practices and don't lessen competition, what business is it of the Government's as to whether or not economies materialize?²¹

James Ling's argument that a diversified company, in and of itself, did not diminish competition seemed logical; however, the Justice Department felt obliged, after Ling began the process in 1968 of acquiring the struggling Jones & Laughlin Steel Corporation, to bring the bloated conglomerate once again to court to face anti-trust accusations.

LTV's move to purchase the struggling Jones & Laughlin Steel Corporation proved to be the downfall of the "Master Mind" James Ling, and marked the beginning of the end of LTV's meteoric growth and profitability. The decision to purchase J&L was consistent with LTV's acquisition strategy: purchase a company, bring it under the LTV umbrella, designate the company an independently run subsidiary of the holding company, issue a limited amount of the new company's stock while retaining control of the majority, and ultimately, sit back and profit from the subsequent rise in the new company's stock price. LTV's strategy did, however, have a weak point. If confidence in a newly acquired company was low, due to an unforeseen circumstance such as an anti-trust lawsuit, the expected rise in price of the re-issued stock of the absorbed company would not materialize, ultimately, disrupting Ling's strategy. This scenario would leave LTV with a huge debt load, and would continue to drive down stockholder confidence as well as LTV's stock price, thus breaking the chain reaction Ling's strategy so desperately relied on.

²¹ "James Ling Claims Federal 'Witch-Hunting' Against Conglomerates Harms Investors," *Wall Street Journal*, September 12, 1968.

LTV's move to purchase J&L in late 1968, which came on the heels of the two earlier large acquisitions, led to a protracted legal battle with the Justice Department that disrupted Ling's growth strategy and diminished LTV's profitability. LTV's downturn became apparent in 1969 when LTV announced an \$8.3 million loss for the year, and by the first quarter of 1970, LTV posted another loss of \$6.5 million. Added to LTV's diminished profitability the conglomerate was facing a long term debt obligation of \$750 million, which equated to a yearly debt payment of \$50 million.²² Obviously, the government's anti-trust suit had immensely disrupted LTV's operations and greatly diminished its once meteoric profitability.

LTV's downturn reached its nadir with a Federal Court Consent Decree in early 1970, which forced LTV to change its operating strategy if it wanted to retain control of J&L. The consent decree was no slap on the wrist for LTV; instead, it fundamentally forced LTV to: use any monies generated from the J&L purchase to begin to pay down its debt, divest itself from Braniff Airways and the Okonite Corporations acquired in LTV's 1968 Great America Corporation takeover, personally manage J&L to ensure the steel company returned to profitability, and finally, seek Justice Department approval for all future acquisitions over \$100 million.²³ All of the instructions established in the Consent Decree were designed to restrain unwieldy and disparate corporate takeovers, as well as move to reduce LTV's extravagant debt and force LTV to ensure J&L returned to profitability. In the end, LTV's downturn, massive debt obligations, and increased

²² James C. Tanner, "Conglomerate's Consent Decree: Ling-Temco Is Seen Resuming the Acquisition Trail In the Wake of Its Antitrust Accord With Justice Agency," *Wall Street Journal*, March 9, 1970; "J.J. Ling replaced as LTV Chairman by R.H. Stewart," *Wall Street Journal*, May 18, 1970.

²³ James C. Tanner, "Conglomerate's Consent Decree...."

Justice Department scrutiny proved too much for James J. Ling to weather, and he was replaced as Chairman of the Board by Robert H. Stewart, a banker who previously held the title of chairman of the First National Bank in Dallas. Even though Ling lost the coveted chairmanship, he was not subsequently banished like a leper to the hinterland of the business community, but instead, he became president of the company and retained a substantial voice within it.²⁴

Recovery, Restructure and Fall, 1970-1986

In 1970, after LTV's protracted anti-trust battle and its subsequent re-shuffling of management, the company faced a tough road ahead of them. LTV's once lauded stock price plummeted from \$169.50 a share in 1967 to \$20 a share by 1970, and by the close of the decade, LTV's stock price was hovering around a \$8 a share. This was not the only problem that LTV faced. LTV still had a substantial debt burden to address and a requirement to turn around a struggling steel company. To attempt to accomplish these daunting tasks, LTV implemented what came to be known throughout the business community as "project un-redeployment," which was the antithesis of "project-redeployment," the name given to James J. Ling's once coveted business strategy.²⁵

If the 1960s were considered a decade of growth for LTV—with awe-inspiring profitability and Hollywood style media attention—the 1970s were a decade of austerity, completely devoid of the previous decade's glitz and glamour. LTV's new leaders lacked the notoriety that Ling acquired in the 1960s. Instead, the new leaders kept a low profile

²⁴ "J.J. Ling replaced as LTV Chairman by R.H. Stewart," *Wall Street Journal*, May 18, 1970.

²⁵ Steve Frazier, "Tough Turnaround: Rebuilding of LTV, Begun a Decade Ago, Is Picking Up Steam," *Wall Street Journal*, June 29, 1981.

while they began the tireless job of trying to turn around a huge and unwieldy conglomerate composed of numerous disparate subsidiaries. The crux of project un-redeployment was to organize LTV around core economic segments and to find a way to turn around J&L. One of the methods LTV used to rebuild J&L was to spend over a half-billion dollars on purchasing the Lykes Steamship Company, which was the parent conglomerate of the Youngstown Sheet & Tube Company (YS&T). The purchase, which was approved by the Justice Department in 1977, added to LTV's large debt; however, the leaders of LTV felt that the purchase would, in the long run, benefit J&L. LTV argued that they could achieve new economic efficiencies by combining the most economical and up-to-date assets of both J&L and YS&T. For instance, J&L had more up-to-date technology for making steel and YS&T had more up-to-date and efficient finishing capabilities. Thus, by combining the most efficient assets of both steel companies, LTV would be able to capitalize, and ultimately justify, the heavy price tag associated with the Lykes purchase.²⁶

By 1981 LTV looked as if it had weathered the turbulent decade of the 1970s. The company emerged in the 1980s as a leaner, more focused company built around 4 key operating sectors: steel, aerospace, energy, and shipping. In 1981 the company's stock had increased to \$20 a share, it had issued its first common stock offer since 1967, and its energy and steel sectors were profitable. For the leaders of the struggling conglomerate it looked as if their risky gamble to acquire the Lykes Steamship Company had paid off. LTV Steel had reorganized both their J&L and Youngstown Sheet & Tube

²⁶ Steve Frazier, "Tough Turnaround...."

steel operations to capitalize on the most efficient and up-to-date operations of both companies; however, LTV's optimistic outlook would prove to be only an illusion.²⁷

Even though 1981 was a promising year for LTV, the company still faced many challenges with their finances and with their steel and energy sectors. LTV's huge debt burden ominously loomed over the heads of LTV's management; plus, the company faced a tough market for steel, competing against subsidized foreign competition and deflated steel prices. Finding efficiencies in antiquated mills and expanding their market share through acquisition and merger proved for LTV to be a daunting challenge. The difficult market for steel in the 1980s, LTV's challenge to update and reorganize their steel concerns and the company's increased "legacy" costs associated with their "private-welfare" benefit programs such as pensions—which cost LTV an average of \$375 million a year—and health-care benefits, overwhelmed the corporate behemoth, and in 1986, forced the company to seek Chapter 11 Bankruptcy protection.²⁸ Although all of these issues did not hit LTV over the course of one year, they did make their presence brutally apparent from 1982 to 1986. No single issue can be blamed for LTV's eventual failure, but one event however, LTV's 1984 purchase of the Republic Steel Corporation warrants particular scrutiny.

The Republic Steel Folly

Seeking once again to replicate the J&L and Lykes Steamship merger of the late 1970s, Raymond Hay, LTV's Chairman of the Board in 1984, initiated the purchase of

²⁷ Steve Frazier, "Tough Turnaround...."

²⁸ Mary Ellen Crowley, "LTV retirees get letter of cutoff of insurance" *Vindicator*, July 20, 1986.

the Republic Steel Corporation. This action, which baffled many in the business community, cost LTV \$714 million dollars adding to LTV's already staggering debt of \$1.4 billion; however, the purchase did make LTV the second largest steel producer in the country with 15.7 percent of the domestic market.²⁹ Even though the purchase received strong scrutiny from the business community, many leaders within LTV, including its Chairman Raymond Hay, felt the purchase was nothing short of genius. Hay was even quoted as saying that the “merger would become a landmark in the annals of American basic industries.”³⁰ Ironically, Hay was correct, but for a reason 180 degrees in the opposite direction of what he intended his words to mean. LTV's purchase of Republic Steel in 1984 indeed went down in the annals of history; the history of what not to do.

LTV's Republic Steel merger marked the beginning of the end of LTV. Similar to the J&L/Lykes merger, LTV believed it could capitalize, as it did in 1981, on finding efficiencies within all of their steel concerns in order to make their steel sector profitable.³¹ This plan did not materialize. With the purchase of Republic Steel, LTV added costs to the company in two ways. First, the price tag of the purchase, \$714 million, increased LTV's overall debt to \$2.6 billion. Secondly, LTV added a new batch of retirees and potential retirees to its legacy costs. For LTV management, confident that their newly acquired steel concern would materialize profits similar to the J&L/Lykes

²⁹ Laurie P. Cohen and Thomas F. O'Boyle, "Ill-Fated Merger: LTV, Dragged Down by Steel Subsidiary, Struggles to Survive," *Wall Street Journal*, June 6, 1986; John P. Hoerr, *And the Wolf Finally Came: The Decline of the American Steel Industry* (Pittsburgh: University of Pittsburgh Press, 1988), 480.

³⁰ Cohen and O'Boyle, "Ill-Fated Merger:...."

³¹ Cohen and O'Boyle, "Ill-Fated Merger:...."; Hoerr, *And the Wolf Finally Came*, 480.

merger, these added costs seemed minimal if LTV Steel could capitalize on more efficient production and increased market share; however, that was not the case.³²

After the merger, LTV was hampered by extremely low steel prices that reduced overall profits; plus, due to its large debt burden, LTV could not raise the financial capital necessary to make the technological upgrades that their antiquated steel concerns so desperately needed. LTV's huge debt and their diminished profitability after 1984 had the company scrambling to free-up cash. To do this LTV began to sell off pieces of their steel operations, especially their 16 bar mills acquired in the Republic Steel acquisition, 10 of which were sitting idle in 1986. Their need for cash also forced LTV to sell profitable pieces of their steel operation. For instance, LTV began looking for buyers to purchase their stainless steel operations and much of their pipe making facilities. LTV also mortgaged their future on the backs of retirees by trying to conserve cash through seeking IRS deferments on their pension payments.³³

By 1985, LTV's days were numbered. In that year LTV lost approximately \$723.9 million and rumors of bankruptcy began to permeate the business community. In 1986, many of LTV's creditors began planning for potential bankruptcy hearings, and even employees of LTV were beginning to seek employment elsewhere. LTV's struggling position, due in great part to the massive costs incurred in the Republic Steel purchase and a depressed energy and steel market, forced the company to seek shelter behind the walls of Chapter 11 bankruptcy. On July 17, 1986, LTV formally filed for

³² Cohen and O'Boyle, "Ill-Fated Merger:...."

³³ Cohen and O'Boyle, "Ill-Fated Merger:...."

Chapter 11 bankruptcy protection, which sent a shockwave reverberating throughout many of the steel communities intimately linked to the conglomerate.³⁴

The Initial Community Reaction

On July 17, 1986 the news of LTV's Chapter 11 Bankruptcy hit Youngstown and other steel communities, like a lead weight. Youngstown was once again forced to face the biting and caustic reality of a failed corporate entity and the capricious and arbitrary effects associated with such a failure. Only 9 years earlier, Youngstown had faced the brutal consequences associated with the dismantling of their once robust and prosperous steel industry. From September 1977 to 1981, Youngstown lost 3 major steel mills, the Youngstown Sheet and Tube Campbell Works and Brier Hill Works and the US Steel Ohio Works, along a 20 mile stretch of the Mahoning River. The shutdowns caused massive unemployment as well as economic and social upheaval.³⁵ As a vestige of Youngstown's once robust and profitable steel industry, LTV kept alive Youngstown's tradition of steel making, although at a much reduced capacity.

LTV was the link to Youngstown's past in many ways. First LTV was Youngstown's only remaining integrated steel producer. Secondly, LTV owned a majority of Youngstown's former steel companies, the Youngstown Sheet and Tube Company and the Republic Steel Corporation. Thirdly, due to LTV's merger with many of Youngstown's past steel companies, LTV also owned the legacy cost associated with

³⁴ Cohen and O'Boyle, "Ill-Fated Merger:...."; "LTV Corp. to reorganize" *Vindicator*, July 17, 1986.

³⁵ See Lynd, *The Fight Against Shutdowns*; Buss and Redburn, *Shutdown at Youngstown*; Fuechtmann, *Steeple and Stacks*; Bruno, *Steelworker Alley*; Linkon & Russo, *Steel-town U.S.A.*; and Safford, *Why the Garden Club Couldn't Save Youngstown*.

those acquisitions. LTV was the bridge to Youngstown's halcyon steel making past as well as its turbulent failure. In the end, LTV's bankruptcy would prove that the phenomenon of "Deindustrialization" had not yet ended, and ultimately, it would shine a spotlight on America's industrial retirees and the post-World War II "private-welfare" benefits system they collectively bargained for.

The announcement of LTV's bankruptcy initially shocked LTV's active Youngstown/Warren area workforce of approximately 1,800 as well as the larger community. Local government officials of Youngstown and Warren feared the negative financial consequences associated with a defunct corporation. Primarily, local governments worried about losing tax revenue generated from LTV's property, payroll and income taxes. Diminished revenues would lessen funding for local school districts and other government services and once again place a huge financial burden on the backs of Youngstown and Warren and their surrounding communities.³⁶

LTV employees in the Youngstown/Warren area had mixed feelings about the bankruptcy announcement that ranged from optimism to anger. Upon announcing the Chapter 11 filing, LTV did not immediately close down their Youngstown/Warren steel making operations leaving some current LTV steel workers feeling optimistic. This is primarily due to the fact that Chapter 11 Bankruptcy is not Chapter 7 liquidation (or the wholesale dismantling and sell off of the assets of an entire company); instead it is a legal option a company can enter into allowing a company to reorganize their operations, and

³⁶ Mary Ellen Crowley, "Personal Finances are put in Jeopardy," *Vindicator*, July 18, 1986, Mahoning/Columbiana edition; William R. Hawkins and Cathy Byers "Firm's woes could spark fiscal crisis for district" *Vindicator*, July 18, 1986, Mahoning/Columbiana edition.

through the guidance of a bankruptcy judge, work out a plan to pay their creditors. This is why some steelworkers had a sense of optimism after the announcement. They felt that if LTV could reorganize their operations and diminish much of their debt, the company would come back strong and continue steel making operations in both Youngstown and Warren. Other workers were not so optimistic. Many workers had witnessed the dismantling of Youngstown's steel industry in the late 1970s and did not trust LTV management to do the right thing. Finally, others were upset about the bankruptcy, especially after workers conceded approximately \$3.15 an hour in wages in the spring 1986 LTV/USWA contract. LTV on the other hand felt the bankruptcy was justified and necessary.³⁷

LTV looked to Chapter 11 Bankruptcy as a way to shed much of its burdensome debt, which had been with the company since the days of James J. Ling, as well as to reorganize the company around its growth sectors of aerospace and defense production, which in 1986 had projected sales of \$9 billion. LTV put much of the blame for its bankruptcy on its steel and energy sectors. In a statement to the press an LTV official commented on the Chapter 11 filing and noted, ““The reason for filing is the continued weakness in the company's steel and energy business over the last several years coupled with operating and liquidity problems that developed unexpectedly during recent weeks.””³⁸ In other words, LTV was not able to capitalize on the 1984 Republic Steel

³⁷ “LTV plants to keep running: Operations normal despite problems” *Vindicator*, July 18, 1986; Mahoning/Columbiana edition; Neil Durbin, “There was a... feeling of disbelief” *Vindicator*, July 18, 1986, Mahoning/Columbiana edition.

³⁸ “LTV Corp. to reorganize” *Vindicator*, July 17, 1986.

acquisition, and due to profitability issues, and the inability to generate the needed cash flow through the sale of assets, the company was forced to restructure.

Initial reactions to the news of the LTV bankruptcy seemed justified and legitimate. No one could truly have foreseen the outcome of the bankruptcy. Initially, disparate reactions came from active workers and local government officials with only murmurs of how the bankruptcy could affect the over 11,500 Youngstown/Warren LTV Steel retirees. However, on Saturday July 19, 1986, LTV's Chapter 11 Bankruptcy, in the form of benefit cancellation notices, officially arrived in mailbox's of thousands of LTV Steel retirees forcing them to fend for themselves.

Enter the Retirees

LTV Steel retirees from the Youngstown/Warren region as well as those from other cities around the country such as Cleveland, Canton and Pittsburgh, began receiving benefits cancellation notices in the mail on Saturday July 19, 1986. The letters went about the task of informing approximately 78,000 LTV retirees nationwide that their medical benefits had been cancelled due to LTV's Chapter 11 Bankruptcy; however, their pensions remained intact. According to the Youngstown Vindicator, LTV's health and life insurance benefit cancellation letter stated the following:

Our expectation is that as retirees you will at this time continue to receive your pension checks from funds already deposited for your pension plan. You should, however, be aware that the life insurance coverage and medical insurance coverage that has in the past been paid for you by LTV Steel can no longer be provided because of the restraints imposed by Chapter 11... This means that those unreimbursed medical and other expenses which you have incurred to date cannot be paid for by the company. Please examine your present insurance coverage

situation and, if appropriate, take immediate action to obtain alternate insurance coverage.³⁹

The news was even grimmer for Republic Steel salaried retirees. LTV notified the salaried retirees that both their medical benefits were canceled and their pension benefits would most likely be taken over by the Federal agency known as the Pension Benefit Guarantee Corporation (PBGC), which paid pensions at a reduced rate.⁴⁰ On the other hand active workers medical benefits were not summarily canceled like those of retirees. LTV justified the maintenance of active worker's medical benefits because LTV needed to ensure that active workers would remain working throughout the Chapter 11 reorganization process, thereby helping LTV to restructure and return to profitability. LTV felt that terminating active workers benefit plans could have sparked unwanted labor unrest, and possibly lead to work stoppages during a fragile financial period in the life of the company. In essence, unlike their retired workers, LTV perceived their active workers as a threat to reorganization. Even though active workers were allowed to maintain their medical benefits, Blue Cross Blue Shield of Ohio (BCBS) refused to pay active workers' medical claims until a bankruptcy court judge ensured BCBS that they would receive their just compensation.⁴¹

³⁹ Mary Ellen Crowley, "LTV retirees get letters on cutoff of Insurance" *Vindicator*, July 20, 1986.

⁴⁰ Crowley, "LTV retirees get letters on cutoff of Insurance"; Neil Durbin, "USW says union seeking coverage for LTV retirees" *Vindicator*, July 21, 1986, Trumbull edition; The PBGC is a Federal organization established under the Employee Retirement Income Security (ERISA) of 1974. The organization insures privately funded defined pension benefit plans. In the event that a business files for bankruptcy or neglects its pension plan to the point of insolvency, the PBGC will take the steps necessary to take over control of the failing pension plan and pay employee pensions however at a reduced rate. For more on the PBGC see the following website: <http://www.pbgc.gov/>.

⁴¹ John P. Gatta, Sue Young, Melissa Withew and Mary Ellen Crowley "LTV retirees Swamp Blue Cross, Blue Shield office" *Vindicator*, July 22, 1986; Melissa Withew, "Blue Cross halts hospitalization for LTV workers" *Vindicator*, July 26, 1986.

LTV's justification for its callous action was that retirees were creditors just like any other creditor such as a bank or a parts supplier. Mark Tomasch a LTV spokesman provided insight into the logic behind LTV's cancelation of medical benefits. He stated,

From the minute you file for Chapter 11, all of your debts and obligations from that minute backwards are frozen, and all of those debts come under the supervision of the court....The object of reorganizing is to identify and qualify all of the claims, the object there is that everyone is paid in a fair and equitable manner. We do not have the option of paying one creditor before another.⁴²

For many, LTV's justification was inadequate. People asked; how could a company hide behind the false legitimacy of bankruptcy law, which equated individual human beings—who agreed to contracts, which they felt were inviolable and paid into a system to ensure their basic needs were met in the twilight of their lives—be equated to and treated in the same manner as a bank? For many, LTV's callous action was nothing short of reproachable, inequitable and downright immoral.

LTV Steel retirees proved to be anything but apathetic toward the loss of their medical benefits and immediately set out to improve their situation. On Monday July 21, 1986, after receiving their benefit cutoff notification, retirees en-mass began calling and converging on the Youngstown office of Blue Cross Blue Shield of Ohio. These retirees were seeking answers as to why they lost their medical coverage and they also began the process of trying to convert their group policies into individual policies. The Youngstown *Vindicator* reported on the frenzied atmosphere created by the retirees' quest for answers. The paper observed that upon being told to seek alternate health insurance coverage, retirees immediately set out to do so noting, "That's exactly what

⁴² Neil Durbin and Mary Ellen Crowley, "LTV retirees to get pensions for August" *Vindicator*, July 24, 1986.

scores of retirees did yesterday, swamping local insurance agencies, LTV Steel headquarters in Cleveland, radio talk shows and the *Vindicator* with requests for information and clarification on the status of their insurance policies.”⁴³

Beyond stirring up a hornets’ nest of retiree unrest and activity, LTV’s health insurance cancellation also had immediate tangible consequences on the lives of many retirees. Some retirees that had already been admitted to hospitals at the time of the cancelation of medical benefits feared being denied medical treatment and not being able to pay their medical bills; however, at least when it came to treatment, local hospitals did not deny treatment to anyone who lost their benefits. Retirees also lost access to their prescription drug benefits, and many, especially those not yet eligible for Medicare, had to pay for their prescription drugs out of their own pockets.⁴⁴ One retiree, Dick Thomas, a former Youngstown Sheet and Tube worker, was profiled by the Youngstown *Vindicator* about how the Chapter 11 Bankruptcy and subsequent loss of medical benefits impacted his life. According to the *Vindicator*, Dick Thomas was a heart transplant recipient, whose medical and prescription drug bills amounted to \$3,500 monthly, and who without his medical benefits was forced to pay those charges with a pension check that amounted to \$1,395 a month.⁴⁵ Dick Thomas was only one of thousands of LTV Steel retirees who were severely affected by LTV’s cancelation of medical benefits. Unsure as to why LTV canceled their health insurance, retirees continued to search for answers to their problem. Initially, retirees turned to their former union the United

⁴³ Gatta, Young, Wilthew and Crowley “LTV retirees swamp Blue Cross, Blue Shield office.”

⁴⁴ Gatta, Young, Wilthew and Crowley “LTV retirees swamp Blue Cross, Blue Shield office.”

⁴⁵ Tim Roberts, “LTV retirees, workers reeling over loss of benefits” *Vindicator*, July 27, 1986.

Steelworkers of America (USWA) as well as their local, state and national legislators. Unfortunately for LTV retirees, immediate help was lacking from both institutions.

The day after LTV retirees converged on BCBS of Ohio's Youngstown offices, an emergency union meeting was called at USWA local 1375 in Warren, Ohio. Union officials and insurance representatives were present to answer retiree questions. At the meeting over 500 retirees demanded answers. Retiree William Leon spoke to the assembled group and harkened back to the bloody days of the 1937 Little Steel Strike (which had involved workers seeking union recognition at both Republic Steel and the Youngstown Sheet and Tube) and said "In due time, I hope we don't have to come to that."⁴⁶ Leon's words suggested that retirees were prepared to go to extremes to redress their grievances; however, they hope that the union could fight for them. The union on the other hand did not initially have much to offer retirees. USWA officials informed the crowd to do what they could to secure health coverage on their own, and they also stated that the union was working on developing a group health insurance policy for retirees. Union officials also made it clear that they felt LTV was legally in the wrong for canceling retiree health benefits and that the USWA would take the matter to court, arguing that prior cases of large corporate bankruptcy, such as the 1985 Chapter 11 filing of the Wheeling-Pittsburgh Steel Company, did not set a precedent for unilateral cancelation of retiree health benefits.⁴⁷

⁴⁶ Neil Durbin, "Retired area steelworkers protest LTV health, life insurance cutoff" *Vindicator*, July 23, 1986; for more on the Little Steel Strike in the Youngstown area see Donald Gene Sofchalk, *The Little Steel Strike of 1937* (Thesis (PhD), The Ohio State University, 1961).

⁴⁷ Durbin, "USW says union seeking coverage...."

Insurance officials at the meeting from BCBS spoke about the costs associated with securing private health plans. The plans offered to retirees were not cheap. For hospitalization only it would cost a single retiree less than 65 years of age \$72.74 a month and \$156.45 a month for a family. If a retiree under 65 years of age wanted Major Medical coverage, and he or his family had no pre-existing conditions, the cost for that retiree was \$107.45 a month for an individual and \$250.00 a month for a family. In total, if a retiree wanted both hospitalization coverage and Major Medical coverage that retiree was facing a monthly bill anywhere from \$180.19 a month for an individual to \$406.45 a month for a family; which was a significant financial hardship considering some retirees had monthly net pension checks amounting to approximately \$724.00.⁴⁸ For retirees, their call for help to the union did not look promising. The union admitted that they had no immediate course of action outside of advising retirees to purchase private health insurance on their own and the assurance that the union would battle LTV in court. Retirees still lacked solutions to their problem; however, many retirees felt that their lawmakers might still hold the answers.

Law makers at all levels of government reacted similarly to the USWA upon hearing LTV's bankruptcy announcement. Most of the legislators associated with the states and districts of LTV retirees immediately repudiated LTV's benefits termination, and began the institutional process of trying to address the needs of retirees through the mechanisms of the government. Upon hearing the news of LTV's bankruptcy, and the company's arbitrary and capricious cancelation of benefits, Senator Howard Metzenbaum

⁴⁸ Durbin, "Retired area steelworkers protest...."

from Ohio stated to the press that ““LTV should not use its bankruptcy petition to ruin the lives of workers who put a lot of effort into building the steel industry.””⁴⁹ Even though many law makers such as Metzenbaum felt LTV’s actions were abhorrent, legislators at all levels did not initially have solutions to the problem.

Absent quick remedies, lawmakers at the federal level initiated committee hearings to address retiree issues stemming from the bankruptcy. At the state level Governor Richard F. Celeste’s administration was absent of a solution for his approximately 31,000 Ohio LTV retirees.⁵⁰ In the U.S. House of Representatives Congressman Dennis Eckart from Mentor, Ohio, initiated House Education and Labor Committee hearings to address the benefit cancelation problem, and similarly on the Senate side, Senator Howard Metzenbaum initiated Senate Judiciary Committee hearings to begin the process of addressing this urgent problem. The legislative committees attempted to seek swift solutions to the benefits problem; however, initially they could only produce stopgap measures that did not address the long-term problems associated with LTV’s massive Chapter 11 bankruptcy. For instance, by July 25, 1986, the House Ways and Means committee crafted legislation that would legally enable retirees to purchase the exact same coverage they had under their former company provided group insurance plan; however, the legislation still needed to be passed by both houses of Congress and there was no guarantee that retirees would not have to pay more than what was initially bargained for. On the Senate side Senator Howard Metzenbaum crafted

⁴⁹Randy Wynn, “Ohio law makers eye way to preserve LTV benefits” *Vindicator*, July 23, 1986.

⁵⁰ Tim Yovich, “State help in doubt on LTV benefits” *Vindicator*, July 25, 1986; Wynn, “Ohio law makers eye way....”

legislation, that if passed, would make LTV pay retiree health benefits throughout the bankruptcy process, leaving the ultimate fate of retirees in the hands of a bankruptcy court judge.⁵¹

In the end institutions of power such as the U.S. Congress and the USWA, understood that the loss of health benefits was a disastrous problem for LTV retirees and they immediately began working to solve the problem. However, the institutional solutions to the problem turned out to be a slow and methodical process that ultimately had a difficult time addressing the immediate needs of dispossessed retirees such as Dick Thomas. Understanding that institutional solutions to their problem was a tedious and time consuming affair, and that the efficacy of law makers and union officials towards the immediate needs of retirees was only as strong as the direct political pressure retirees could generate against them, retirees began to organize.

⁵¹ Randy Wynn, "House faces bill affecting retirees" *Vindicator*, July 25, 1986; Randy Wynn, "Senators push action on benefits" *Vindicator*, July 26, 1986.

Chapter 2: Solidarity USA's Formation and Fight for Lost Benefits

"Fifty years ago, steelworkers showed their grit by organizing to fight for good wages and benefits. Now, retired hourly and salaried employees of the companies absorbed by LTV Corp. plan to show that they can still fight for what they deserve." Mary Ellen Crowley, Reporter for the Youngstown Vindicator.¹

Help Yourself: the Petition Drive

Beyond simply relying on the USWA and local state and federal legislators to ameliorate their predicament, some LTV retirees began the process of helping themselves. Retirees saw the need to organize and to protest their situation. No one understood the urgency and necessity of collective action and non-violent demonstration more than Delores Hrycyk. Hrycyk, a Pulaski, Pennsylvania resident, and the wife of a retired Republic Steel worker, was immediately outraged by LTV's callous health benefit termination and sought to voice her opinion on the matter. Calling local radio programs to speak out, Hrycyk ignited the spark which would propel hundreds of retirees to organize and to act out in order to effectuate change. During her radio interviews, Hrycyk called for a retiree rally to be held in downtown Youngstown on Saturday, July 26, 1986, so that retirees could show their disgust over LTV's actions as well as to hear proposals from their government officials and union representatives.² It was a first step at declaring to the larger community that retirees were not going to be passive participants in the health benefit crisis. More than anything else, it was Hrycyk's leadership, seen through her ability to organize the July 26th rally, which laid the foundation for retiree solidarity, activist energy, and ultimately, the formation of Solidarity USA.

¹ Mary Ellen Crowley, "LTV retirees to open petition drive" *Vindicator*, August 14, 1986.

² "LTV Steel retirees will rally in protest of insurance cutoff" *Vindicator*, July 24, 1986.

The Saturday retiree rally at Federal Plaza in downtown Youngstown began at 3 pm. Approximately 500 to 700 retirees, some from as far away as Aliquippa, Pennsylvania, were in attendance to voice their opinion on LTV's termination of benefits and to hear USWA representatives and government officials address the matter. Numerous public figures spoke at the rally: US Congressman James Traficant, the Mayor of Cleveland, Dennis Kucinich, USWA subdistrict director of district 27 (Eastern Ohio) Joe Clark; activist, historian and labor lawyer, Staughton Lynd, as well as Delores Hrycyk. The numerous speakers discussed varied courses of action. Some at the event called for government intervention in the steel industry to bring it back to life, others spoke to retirees telling them that their fight had to be won in the U.S. Judicial system, while others such as Staughton Lynd offered their support and services to the dispossessed retirees.³

The most poignant of the speakers, Delores Hrycyk, called on retirees to help themselves and asked them to continue their vigilance against LTV's injustice by getting involved and attending future retiree meetings. She also publicly notified LTV that retirees were not going to sit back and apathetically watch their retirement security be taken away without a fight. She stated to the crowd, "I hereby send notice to LTV that they have taken on the best people, the best workers, and the best fighters in America. All of us, every one of us, entered contracts. We kept our part of the contract. We want them to keep their part of the contract now."⁴ One can only imagine the cheers from the

³ "LTV Steel retirees will rally in protest of insurance cutoff" *Vindicator*, July 24, 1986; Ellen J. Sullivan, "Rally: LTV retirees vow to fight for benefits" *Vindicator*, July 27, 1986.

⁴ Sullivan, "LTV retirees vow to fight for benefits."

crowd after hearing Hrycyk's passionate and determined words. The downtown rally marked the starting point for Hrycyk and her mission to get retirees to stand up and fight back against the powerful, self-interested and hegemonic institutions that had led retirees to their present crisis.

In the wake of the Federal Plaza rally, retirees received encouraging news on July 30, 1986, that Burton Lifland, the New York City bankruptcy judge overseeing LTV's Chapter 11 filing, had allowed LTV to restore retiree health and life insurance benefits, with one stipulation: after 6 months the payments would cease and retirees would once again find themselves without health coverage. The judge's decision was not made out of a deep empathy for the plight of LTV retirees; instead, Lifland's decision was made to benefit LTV.⁵ Upon LTV's announcement that it terminated retirees' health and life insurance benefits, retirees in the Chicago, Illinois area, specifically at LTV's Indiana Harbor plant, began to picket the Indiana Harbor gate. Accounts as to how the subsequent active worker strike began after the retiree picketers had established their picket line are varied. The USWA argued that they initiated the strike for strategic reasons; however, others such as Staughton Lynd, point to a more grass roots catalyst of the strike stemming from active worker resentment about how some of the Indiana Harbor retiree pickets were treated by the company and local police.⁶ In any event the

⁵ Alyssa Lenhoff and Neil Durbin, "LTV will restore benefits to retirees: Local workers relieved, concerned" *Vindicator*, July 31, 1986; Mary Ellen Crowley and Randy Wynn, "LTV will restore benefits to retirees: Company to cover next 6 months" *Vindicator*, July 31, 1986.

⁶ Alice Lynd and Staughton Lynd, "'We Are All We've Got': Building a Retiree Movement in Youngstown, Ohio," in *Law Stories: Law, Meaning and Violence*, eds. Gary Bellow and Martha Minow (Ann Arbor: The University of Michigan Press, 1996), 79-80.

strike was called, thus placing great strain on LTV's ability to generate profits during reorganization.

The inopportune strike was also hurting LTV's ability to capitalize on an increased demand for steel due in part to an ongoing USX strike. LTV also faced the fact that Congress, specifically the US Senate, under the leadership of Ohio's Howard Metzenbaum was in the process of crafting stopgap legislation that would force LTV to pay retiree health and life benefits throughout the reorganization process. Due to these circumstances, LTV sought Judge Lifland's approval to free up monies to pay retiree health and life insurance benefits. Lifland ultimately approved LTV's request and the Indiana Harbor strike was called off; however, the judge's decision also generated resentment on behalf of LTV's bank creditors who felt Lifland's decision was unjust.⁷

Feeling unjustly treated by Lifland's ruling—which appropriated \$75 million for LTV to pay retiree health and life insurance—LTV's numerous bank creditors such as Pittsburgh's Mellon Bank appealed the decision in federal court.⁸ In a disgusting show of arrogance and avarice, LTV's bank creditors argued in the Federal District courtroom of Judge Mary Johnson that Judge Lifland's ruling put the interests of retirees and LTV before the interests of other creditors. Judge Johnson did not agree with the argument crafted by the lawyers of LTV's bank creditors. In her ruling she defended the Lifland decision, which argued that the appropriation of money to pay retiree medical and life insurance benefits was vital to ensuring LTV remained financially solvent throughout the

⁷ Mary Ellen Crowley, "Bank Creditors want to stop LTV benefits" *Vindicator*, August 27, 1986; Crowley and Wynn "LTV will restore benefits to retirees:...."

⁸ Crowley and Wynn "LTV will restore benefits to retirees:...."

reorganization process. At the hearing Judge Johnson succinctly reiterated the argument put forth by LTV stating that LTV, ““apparently feared that a potentially crippling strike in the wake of bankruptcy petitions would destroy customer confidence, undermine LTV’s relationship with labor and ultimately obliterate any possibility of a successful reorganization.””⁹ Even though the judge’s decision was primarily based on the financial well being of a corporation rather than the general health and welfare, and ultimately financial well being of LTV’s retirees, the ruling nevertheless allowed retirees to continue to receive health benefits over the six month time period allotted by Lifland.

For retirees, Lifland’s initial ruling, and the following decision made by Judge Johnson, was a welcome outcome. For John Knepper, a Republic Steel retiree from Cortland, Ohio, the decision to allow LTV to continue to pay medical and life benefits was desperately needed. Speaking to a reporter after Judge Lifland’s initial decision Knepper noted ““We were just barely making enough now to pay the bills, buy our groceries and pay our taxes.””¹⁰ Thus, with Lifland’s decision confirmed and health and life insurance payments once again processing, retirees continued to organize to solidify their strength. Retirees now set their sights on changing the judge’s six month extension limit, which was due to expire January 17, 1987, and continue to work to secure their health and life insurance payments indefinitely.

Retirees’ fight to ensure the indefinite payment of health and life benefits led by Delores Hrycyk became the catalyst for the formation of the retiree organization known

⁹ “Judge backs order: LTV benefits will be paid” *Vindicator*, October 1, 1986.

¹⁰ Lenhoff and Durbin, “LTV will restore benefits to retirees:....”

as Solidarity USA. In the wake of Judge Lifland's decision, retirees led by Hrycyk rallied around a medical benefit petition drive. Retirees felt that a hand delivered petition to Judge Lifland, pertaining to the indefinite continuation of life and health insurance and the rights of retirees, would personalize the plight of retirees in the mind of the man making the decision most affecting their lives. On August 16, 1986, approximately 500 LTV retirees from Youngstown as well as Aliquippa and Cleveland met at the Knights of Columbus hall in Poland, Ohio. At this meeting the retirees in attendance officially established an independent retiree organization outside of the control and oversight of the USWA. Retirees at the meeting decided to call the organization Solidarity USA after the Polish Solidarity (Solidarnosc) movement of the early 1980s. The first order of business for the nascent organization was to plan, organize and execute the previously discussed petition drive. A plan of action was established and many members in the audience signed up to scour their neighborhoods and local market places in search of signatures for the petition. Solidarity's goal was to acquire 50,000 signatures by September 1, 1986. To help ensure the success of the petition drive, the organization also established a donation plan to secure the funds needed to rent the transportation required to transport retirees to Judge Lifland's New York City court house. By the conclusion of the first meeting, retirees had donated approximately eight hundred dollars, and in the following weeks Solidarity USA would receive generous donations from Catholic Charities and the Youngstown City Council to help with the transportation cost associated with the petition drive.¹¹

¹¹ Crowley, "LTV retirees to open petition drive.;" Mary Ellen Crowley, "LTV retirees form

In the weeks after the August 16th Solidarity USA meeting at the Knights of Columbus hall in Poland, Ohio, the organization found new quarters. The Independent Order of Odd Fellows hall (IOOF) in Hubbard, OH, eventually became the organization's new meeting place. It was within the walls of the IOOF that Solidarity USA met monthly to discuss, plan and vote on the actions needed to sustain the organization, enabling them to continue their fight to save their pensions and health benefits.¹²

Solidarity USA scheduled meetings at the IOOF hall on the last Sunday of each month. Each meeting was run with speed and efficiency by Solidarity's elected officers, and all concerns and questions were addressed. Solidarity USA member John Landgraver provides the clearest picture of the efficiency and effectiveness of a Solidarity USA meeting noting, "Our meetings run just like a hot strip mill. The questions are like a red hot slab, and when the meeting is over the answers are neat and all rolled up like a ten gauge coil of steel. We produce good feelings. We get things done."¹³ All meetings began with the pledge of allegiance and throughout the meeting the American flag was prominently displayed attesting to the organizations continued belief in America and the "American Dream."

Solidarity USA: They will petition bankruptcy court themselves, not rely on union" *Vindicator*, August 17, 1986; Mary Ellen Crowley, "LTV set to issue pension checks" *Vindicator*, August 28, 1986.

¹² "Solidarity USA: Justice is an Inalienable Right," Organizational Newsletter, no. 1, August 1988, the Staughton and Alice Lynd Papers (SA), MSS0152, series 2, container 9, folder 124, the Ohio Historical Society (OHS) and the Youngstown Historical Center of Industry and Labor (YHCIL), Archives/Library, Youngstown, Ohio, 1 (hereafter cited as Solidarity Newsletter, no., date, SA, series (s), container (c), folder (f), OHS/YHCIL, page #.); other documents from the Alice and Staughton Lynd papers will be cited similarly; Solidarity Newsletter, no. 9, April 1989, SA, s 2, c 8, f 116, OHS/YHCIL, 2.

¹³ Solidarity Newsletter, no. 3, October 1988, SA, s 2, c 9, f 122, OHS/YHCIL, 1.

The organization also created a monthly newsletter to keep all of their members up-to-date on the most current and pressing issues affecting LTV retirees and the organization, plus they established committees such as the medical committee to help members address and solve issues stemming from the bankruptcy. For instance, by the summer of 1988, the medical committee began helping retirees who had difficulty obtaining reimbursements for certain medical procedures that used to be covered at both the doctor's office and at a hospital. Solidarity USA and the medical committee also solicited the assistance of local doctors to help offset the costs associated with lost medical benefits. The organization sent out a petition in the summer of 1988 asking local doctors to accept the payment of the insurance company, which in most cases covered only a portion of the bill, as payment in full for early retirees not yet eligible for Medicare.¹⁴

Mailing newsletters and chartering busses for direct action events was expensive. To address this problem Solidarity simply asked for donations from its members. They deliberately avoided the dues check-off tactic most retirees remembered from their days with the USWA. Many members of Solidarity USA proved to be generous with donations, and continued their generosity throughout the life of the organization. Along with asking for donations, Solidarity USA capitalized on local area events such as Hubbard's Founder's Day to hold bake sales, conduct 50/50 raffles and sell hats and

¹⁴ Petition to Area Doctors and Medical Providers, August 1, 1988, SA, s2, c9, f124, OHS/YHCIL; Solidarity Newsletter, no. 1, August 1988, SA, s2, c9, f124, OHS/YHCIL, 1; Solidarity Newsletter, no. 2, September 1988, SA, s2, c9, f123, OHS/YHCIL, 2.

jackets with the Solidarity USA logo.¹⁵ Finally, the organization was not all business all of the time, in fact the organization held holiday parties, where members would eat, socialize and sing songs of solidarity such as the one often sung by the great Pete Seeger titled “One Man’s Hands,” whose lyrics go “But if two and two and fifty make a million, We’ll see that day come round.”¹⁶ Thus, Solidarity USA was an organization built by and for its members. Its collective spirit and desire to help all retirees, not just its own members, enabled Solidarity to effectively and efficiently address the concerns and issues of LTV retirees and mobilize members to directly take action and subsequently apply pressure on institutions such as the USWA, LTV Steel and Blue Cross and Blue Shield.

The formation of Solidarity USA and its subsequent petition drive was part of Delores Hrycyk’s self help philosophy. Hrycyk was skeptical of the institutions that led retirees to their current predicament, also being able to lead them out, especially without direct and consistent pressure from the retirees themselves. Asked by local reporters about her outlook Hrycyk noted, “we just have to help ourselves,....”¹⁷ Mary Ellen Crowley, a reporter from the Youngstown *Vindicator* understood Hrycyk’s philosophy well. Summing up Hrycyk’s comments at the first Solidarity meeting on August 16, 1986, Crowley wrote,

¹⁵ Solidarity Newsletter, no. 10, May 1989, SA, s 2, c 8, f 115, OHS/YHCIL, 1; Solidarity Newsletter, no. 9, April 1989, SA, s 2, c 8, f 116, OHS/YHCIL, 2; Solidarity Newsletter, no. 2, September 1988, SA, s 2, c 9, f 123, OHS/YHCIL, 1; Solidarity Newsletter, no. 7, February 1989, SA, s 2, c 8, f 118, OHS/YHCIL, 3; Solidarity Newsletter, no. 13, July 1989, SA, s 2, c 8, f 112, OHS/YHCIL, 1; Solidarity USA Financial Statement for December 1989, SA, s 2, c 8, f 107, OHS/YHCIL.

¹⁶ Solidarity Newsletter, no. 4, November 1988, SA, s 2, c 9, f 121, OHS/YHCIL, 1; Solidarity Newsletter, no. 7, February 1989, SA, s 2, c 8, f 118, OHS/YHCIL, 2.

¹⁷ Crowley, “LTV retirees to open petition drive.”

Mrs. Hrycyk stressed throughout the meeting that people dependent on LTV must not count on either the company or the union to restore their benefits. While most of the people in the room have been members of the United Steel Workers of America, she rejected suggestions that they rely on the union to take care of them.¹⁸

Solidarity USA's self help mantra began with Delores Hrycyk, but ultimately manifested itself in the organization's health benefits petition drive and subsequent direct action campaigns. The organization's first meeting marked the beginning of a long and arduous journey—a journey based on a philosophy of communal self help, and predicated on collectivity, democracy and persistent direct action, without which LTV retirees' financial security and wellbeing would have been left to the machinations of self interested, non-empathetic and detached institutions.

To garner more support for their health benefits petition drive, members of Solidarity USA such as Delores Hrycyk and Alice and Staughton Lynd, traveled to Aliquippa, Pennsylvania, on Thursday August 21, 1986 to speak with LTV Steel retirees about the loss of health care benefits and Solidarity USA's petition drive. At the meeting Alice and Staughton Lynd and Delores Hrycyk addressed the over five hundred LTV retirees packed into the union hall of USWA Local 1211. Staughton and Alice Lynd discussed issues pertaining to the health benefit crisis as well as addressed the other monster looming over the heads of LTV retirees: the possible Pension Benefit Guarantee Corporation (PBGC) take-over of LTV's hourly retiree pension plan. The Lynds suggested to the crowd that battling large institutions such as LTV in court was a futile endeavor. Staughton Lynd also spoke to the idea of self help through consistent and

¹⁸ Crowley, "LTV retirees from Solidarity USA:...."

sustained collective direct action. He stated that retirees needed “...to be more radical,” and went on to note,

You’ve got to be going to...the bankruptcy judge on September 2, and saying, ‘Hey, your honor, these are human beings; these aren’t just commercial creditors...You’ve got to treat us different than you’re treating the other creditors in this bankruptcy, and we’re going to stay here in your courthouse until we know what you’re going to do.’¹⁹

Hrycyk also addressed the crowd giving them a stark ultimatum. She bluntly told the Aliquippa LTV retirees in attendance, “‘If you can’t fill up one bus [to deliver a petition to Judge Lifland in New York City], you’d better crawl in a hole and die...Meet us on 224.’”²⁰

In the early morning of September 2, 1986, retirees began arriving at the Southern Park Mall on route 224 in Boardman, Ohio. Retirees loaded busses and began their convoy to the New York City bankruptcy courthouse of Judge Burton Lifland in order to deliver to him their petition, which stated and demanded the following:

1. Promised payment of medical expenses, life insurance and pensions should be given priority over ordinary business debts.
2. Post-petition [claims after the initial bankruptcy date of July 17, 1986] medical, life insurance and pension payments deserve at least as much consideration as the fees of bankruptcy lawyers.
3. The company that encouraged us to plan our whole lives around the expectation of a secure retirement should not be permitted to turn its back on us now.²¹

The convoy of retirees arrived at the court house around nine am, unloaded the busses and began establishing a presence on the outer steps of the court house. Some retirees

¹⁹ Mary Ellen Crowley, “Aliquippa joins LTV benefit fight” *Vindicator*, August 22, 1986.

²⁰ Crowley, “Aliquippa joins LTV benefit fight.”

²¹ Crowley, “LTV retirees to open petition drive.”

were designated to hand deliver the petition to Judge Lifland. This was done in order that the human face of a retiree could find an intimate place within the judge's mind. Unfortunately for the retirees, the judge refused to meet directly with them and they were left with the option of passing their petition to one of Judge Lifland's clerks. Although the judge did not personally interact with the retirees he did not hinder their ability to demonstrate outside, and retirees did just that. Approximately five hundred rallied on the courthouse steps. Many retirees wielded protest signs while others gave speeches. Local and federal government officials such as Youngstown councilman Thomas Provino and U.S. Representative James Traficant made the trip to New York City to show their support for Solidarity USA's cause.²² Delores Hrycyk also spoke at the event. In her speech to those gathered on the court house steps she harkened back to the many sacrifices made for the country in times of war by many of the same retirees present at the court house and she also spoke to the idea that a contract was a sacred bond:

These people fought in World War I, they fought in World War II, the Korean War, Vietnam....They gave up their children in those wars. And as I look around at these buildings, they made the steel beams that hold them up....These steel workers froze in the winter and melted in the summer. We made contracts and we stuck to them. Now we want LTV to keep their end of the contracts.²³

This event more than anything else highlighted the fact that retirees were not going to be passive participants in the events and proceedings shaping their future. Retirees, especially those associated with Delores Hrycyk and Solidarity USA fought against institutional hegemony, and via acts such as the petition drive, established their

²² Mary Ellen Crowley, "LTV retirees carry out mission: Petitions delivered" *Vindicator*, September 2, 1986.

²³ Mary Ellen Crowley, "LTV retirees rally at N.Y. courthouse" *Vindicator*, September 3, 1986.

own agency. Solidarity USA's activism continued throughout the fall of 1986 and into the winter of 1987. The organization, during this period, continued to build and strengthen its membership as well as continued to follow their self help philosophy of direct action and non-violent demonstration.

After the petition drive concluded, Solidarity USA went on to participate in direct action events in Washington D.C., demonstrating and lobbying legislators for their cause. Plus they continued to build support for their cause by garnering resolutions of support from Youngstown, Cleveland and Pittsburgh city councils, as well as demonstrating over health and pension issues outside of the USWA, LTV Steel and Blue Cross Blue Shield headquarters. Ultimately, their fervent activity over the fall of 1986 and into the winter of 1987 culminated with a massive downtown Youngstown demonstration supporting their continued health and life insurance fight and, by that point, the PBGC's takeover of LTV's pension plan, which again caused many retirees especially retirees less than 62 years of age to struggle mightily.

Pension and Protest

LTV's pension fund became a concern in the months after LTV's bankruptcy. Initially, the salaried retirees of the Republic Steel Corporation had the most to fear from an insolvent pension fund and a likely Pension Benefit Guarantee Corporation takeover. However, during the days and months after the bankruptcy, rumors of a PBGC takeover of LTV's hourly pension fund became more prominent. Already facing challenges to their health and life insurance benefits, LTV retirees and the retirees associated with Solidarity USA, were forced to face the reality of a PBGC takeover of their pension

benefits. The PBGC takeover would prove to be an extreme hardship for LTV Steel retirees not yet eligible for Social Security and Medicare. In the wake of the January 12, 1987 PBGC takeover of LTV's hourly retiree pension plans, LTV retirees under the leadership of Solidarity USA's Delores Hrycyk once again mobilized to show their outrage over the diminution of their pension payments.

By the mid 1980s, the pension funds of a number of steel concerns were floundering. For instance, only a few months prior to LTV's bankruptcy, the Wheeling-Pittsburg Steel Company filed for Chapter 11 bankruptcy as well as dumped its pension fund, which was underfunded by approximately \$475 million, on the lap of the PBGC. However, pension plan insolvency was not by any means the norm. In fact some companies such as USX and Inland Steel maintained well funded and solvent pension funds.²⁴ Even though some companies were able to maintain their pension plans, fewer and fewer active employees were paying into a system to support a greater number of retirees. By 1986 each of the 140,000 workers in the steel industry supported 3 retirees.²⁵

Even though the active worker to retiree ratio was not in balance many companies such as LTV dipped into their pension funds to help maintain the company's access to cash. LTV in 1985 sought out IRS pension fund deferments, which allowed LTV to pay its 1985 pension obligations over a course of years. By the summer of 1986, LTV sought

²⁴ Leslie Wayne, "Unfunded pension liabilities jeopardize steel firms" *Vindicator*, August 3, 1986.

²⁵ Wayne, "Unfunded pension liabilities..."

yet again, another IRS pension fund deferment.²⁶ By the time of LTV's Chapter 11 filing, LTV's pension plan was extremely underfunded.

On Friday September 26, 1986, the first plank of LTV's pension fund officially came undone, creating a downward spiral leading to the termination of the entire plan. On that date, LTV's Republic Steel salaried retirees learned that the PBGC officially took control of their pensions. The news was troubling for salaried retirees because many would not receive their full pension payment. The PBGC would only pay \$1,789.77 a month leaving many salaried retirees short of the pension payments they had planned their futures around. For hourly retirees the news of the PBGC's takeover of LTV's Republic Steel salaried retiree pension fund was troubling because if salaried employees could lose their plans so could hourly employees.²⁷

One of the main concerns for hourly retirees in the wake of the termination of the salaried retirees pension plans was the impact of the loss of the hourly pension plans on early retirees—the approximately 7000 retirees given monetary incentives to leave the downsizing LTV workforce throughout the 1980s—many of which, were not yet eligible for federal government entitlement programs.²⁸ In the event of a PBGC takeover of LTV's hourly pension plan it would be the early retirees that would be most affected—those offered a \$400 dollar monthly incentive retirement payment to be added to their small pension payment, which was designed to last until a retiree reached Social Security

²⁶ Mary Ellen Crowley, "LTV pension still in jeopardy" *Vindicator*, August 19, 1986; Mary Ellen Crowley, "LTV asks to delay payment: Wants to stretch pension terms." *Vindicator*, August 29, 1986.

²⁷ Mary Ellen Crowley, "Federal agency to pay LTV pensions" *Vindicator*, September 27, 1986.

²⁸ Mary Ellen Crowley, "USW answers LTV retiree questions' questions: Union officials link plant closings to federal takeover of pensions" *Vindicator*, November 18, 1986.

age. However, PBGC policy did not cover non-defined benefit payments such as the \$400 monthly supplement, which early retirees relied on to make ends meet.

Unfortunately for LTV's hourly retirees on January 12, 1987 the PBGC assumed control of their pension plans.²⁹

Retirees who had been expecting the pension takeover were not surprised when it happened; however, they still were extremely disheartened by the action. To many retirees, LTV was passing on its responsibilities to the federal government and the U.S. taxpayer, leaving retirees to fend for themselves. Commenting on the pension takeover former USWA local 1331 president Bert Cene noted in the *Youngstown Vindicator* "It's really ironic. They offer them early retirement incentives then force them back into the labor force to supplement their [reduced] income."³⁰ Early retirees from LTV's former Republic Steel works in Warren, Ohio such as 53 year old Bill Stavana of Mecca, Ohio, were extremely disenchanted with the pension takeover action. They were disenchanted due in great part to the fact that many workers from the Warren, Ohio, plant took early retirements thinking the action would preserve the Warren works for younger workers. Stavana stated,

We were told back in March that if we didn't take the buyouts, they'd close the plant in a month. None of us would have taken these [buyouts] if we knew they would eliminate the supplemental benefits... We had that closing hanging over our heads. It's upsetting to know that we in good faith gave them the opportunity to prolong the life of this plant, and then find out about this. It's very upsetting.³¹

²⁹ Mary Ellen Crowley, "U.S. takes over LTV pensions: Early retirees are facing loss of supplemental benefits" *Vindicator*, January 13, 1987.

³⁰ Ellen J. Sullivan, "Cost to area steep if LTV retirees lose 'buyout' pay" *Vindicator*, January 13, 1987.

³¹ Dan Pecchia, "Pension action angers LTV's early retirees" *Vindicator*, January 14, 1987.

By all accounts the fears and disgust of LTV retirees were justified, especially the early retirees positioned to lose much of what they were promised. For instance, an hourly early retiree in his fifties was looking at an average pension payment of a little more than 50 percent of what was initially bargained for. As an average, an early retiree before the takeover was receiving a monthly pension of approximately \$923 dollars. This was made up of a small defined pension payment and the \$400 supplement. With the loss of the supplement an early retiree was looking at a \$523 a month pension payment; however, pension payments were processed through a PBGC formula which reduced the \$523 a month down to an anemic \$340 a month.³² As is evident, early retirees were left with little.

Hourly retirees initially responded to the news of the pension takeover by holding a retiree meeting on January 15, 1987 at USWA local 1375 in Warren, Ohio. Approximately five hundred retirees filled the union hall seeking answers to why their pensions were taken over by the PBGC. Many retirees in the crowd were vocal, loud and angry, while others looked on with disbelief and extreme concern. At the gathering, union officials and non-USWA affiliated leaders such as Delores Hrycyk spoke to the retirees. USWA officials in attendance took heated and confrontational questions from the crowd. Many retirees called for the union to initiate a strike similar to the Indiana Harbor strike called in the days after the LTV bankruptcy. USWA officials would not offer any guarantees that the union would strike and they told the crowd that the union would try to bargain back much of what was lost in the PBGC takeover during the

³² Crowley, "U.S. takeover LTV Pensions:..."

upcoming post-bankruptcy collective bargaining session. USWA officials also instructed retirees to continue to pressure their legislative leaders to work on their behalf.³³

Delores Hrycyk used the meeting to promote a retiree rally to be held in downtown Youngstown on January 31, 1987. Considering the USWA was not offering immediate solutions to the pension problem, a rally was the best alternative because it would continue to send a message to legislative leaders, the USWA and LTV that retirees remained vigilant and ready to help themselves. Commenting to the media about the proposed rally Hrycyk noted, ““This rally is to let LTV know we are not going to sit idly while people’s pensions are butchered.””³⁴ Although not specifically mentioned in her reasoning, Hrycyk was also using the rally to show the USWA that retirees were not going to sit back and rely on the union to fix their problems. In fact, she spoke to the lack of an active and persistent worker participation in the affairs of the USWA in the post-World War II era. To Hrycyk, it was the apathy and complacency of the steel workers themselves that contributed most to the retirees’ current problem. Hrycyk observed,

I think the working man is responsible for what has happened. First of all, he didn’t go to his union meeting. His belly was full. They elected people who were not qualified to look into a fiduciary responsibility. When a...report came out, they didn’t know what it was, they didn’t know where the money was invested, what kind of return they were getting on it, whether the company was playing games with it. And in the meantime, these corporations were hiring these young geniuses.³⁵

³³Neil Durbin, “Some would shut down plants; USW favors court fight for aid” *Vindicator*, January 15, 1987; Dan Pecchia, “Strike urged at LTV: Steelworkers angered over pension deal” *Vindicator*, January 15, 1987.

³⁴John Goodall, “LTV retirees plan rally to protest cuts” *Vindicator*, January 24, 1987.

³⁵Dennis Conrad, “Area woman heads LTV retirees’ fight: Hrycyk rallies thousands of pensioners with fiery oratory at demonstrations” *The Tribune Chronicle*, January 18, 1987.

For Hrycyk and the retirees she helped to organize under the Solidarity USA banner, the fundamental reason for their current plight resulted from a lack of agency. To Hrycyk, steel workers succumbed to institutional hegemony, ultimately buying into the legitimacy of a democratically run union; however, the rank-and-file neglected their participatory role in the organization, and instead, acquiesced to entrenched leaders who did not have the general long-term interests of steelworkers at hand nor the mental faculties to understand issues such as pension funding and investment. Hrycyk believed that retirees needed to shed the shackles of institutional hegemony, and instead, become active agents in their current struggle to maintain their health and pension benefits. This is why she consistently organized and promoted direct action events such as the bankruptcy petition drive and the January 31, 1987 rally in downtown Youngstown. These events highlighted to the local, state and national community that retirees would not be passive participants as in the past, but instead, they would be actively involved in shaping their futures, and ultimately, a persistent presence in the lives of institutional leaders.

The January 31, 1987 rally proved to be a great success. That cold and blustery day saw over a thousand retirees march three city blocks from Federal Plaza to Powers Auditorium in downtown Youngstown while protesting their lost health and pension benefits. An estimated 2,500 retirees filled the auditorium and approximately thirty speakers addressed the retirees for over four hours.³⁶ The rally sent a message to the

³⁶ Mary Ellen Crowley, "Pensioners decry LTV benefit cuts" *Vindicator*, February 1, 1987; Diane Laney Fitzpatrick, "Congressmen vow support at LTV rally" *Vindicator*, February 1, 1987; Norman Leigh,

USWA and the government officials in attendance that retirees were capable of mobilizing large numbers to be active participants in the fight to preserve their benefits. In the months and years after the January 31st rally, LTV retirees, especially retirees associated with Solidarity USA, would have to continue their fight to preserve their health and pension benefits. Their struggle to maintain their voice within powerful institutions continued; however, one institution in particular—the USWA— proved to be the most difficult to work with. In 1985, even before LTV’s Chapter 11 bankruptcy, the USWA began the process of establishing control over their vast body of retired members. They attempted to do this by establishing the organization known as the Steelworkers Organization of Active Retirees (SOAR). In order to understand Solidarity USA’s struggle with the USWA one first needs to understand SOAR.

“Marchers demand justice” *Vindicator*, February 1, 1987, Final Edition; “Protesters vent anger against LTV” *Vindicator*, February 1, 1987, Final Edition.

Chapter 3: Uncharted Territory

“Had Soar been formed by a company, it could properly be called a ‘company union!’”
Staughton Lynd¹

During the restructuring that followed the first wave of steel plant shutdown, LTV continued to reduce strategically much of its existing capacity. In January 1985, the company decided to close its welded pipe mill in Aliquippa, Pennsylvania. This action came as a shock to the USWA, because just four months prior, LTV Steel officials met with USWA leadership and informed them that no major plants would close for a year. However, despite its promise LTV closed the Aliquippa mill eliminating five hundred jobs. This shutdown highlighted the precarious position the USWA was in throughout the first half of the 1980s. With shutdowns such as this, LTV Steel attempted to force more concessions from the USWA and to erode the power of the “Basic Steel” contract, thus helping LTV reduce its costs. The union, however, stood its ground against LTV’s assault and maintained the integrity of the rationale underlying the Basic Steel contract, which, according to USWA President Lynn Williams, if lost would have “...pit one local against another and company against company over a market already destroyed by imports.”²

¹ Staughton Lynd, “LTV Steel Retirees ask for a Voice,” (Draft article sent to Jane Slaughter for publication in Labor Notes), April 12, 1990, SA, s 2, c 8, f 105, OHS/YHCIL, 3.

² “USWA scores ‘callous’ LTV pipe mill shutdown,” *Steellabor* 50, no. 1, January 1985, 21; 1983 marked the last time the U.S. steel industry and the USWA participated in industry wide bargaining. The practice of industry wide bargaining officially ended on May 2, 1985. The end of industry wide bargaining forced the USWA to adapt to the new reality of piece meal bargaining. The USWA could no longer rely on a one size fits all contract and had to adapt to the fact that members from different locals and different companies could become competitors, each trying to underbid the other with the hope of securing a contract in a struggling industry. USWA president Lynn R. Williams’ solution to piece meal bargaining was to adjust employment costs during each round of bargaining for each separate company, either up or down, in order to obtain some semblance of balance amongst the different companies and the different

Due to incidents like the one just described, the USWA understood that its future did not look promising. For example in 1985, LTV Steel showed a loss of approximately \$227 million. LTV was not the only U.S. steel producer who had fallen on hard times. For instance, in 1985 Bethlehem Steel lost \$196 million, Inland Steel lost \$178.4 million, National Steel lost \$88.4 million and Armco Steel lost \$55 million.³ Obviously the numbers did not look promising for U.S. steel producers in the 1980s, especially LTV Steel, a huge conglomerate that was struggling mightily even though the corporation was involved in other industries outside of steel including: energy, aerospace/defense, meat and food, and ocean shipping.⁴

As mentioned earlier, companies like LTV often sought to limit payments into employee pension plans. The USWA understood this well. It recognized that the steel industry was struggling and in many cases was shedding costs and capacity and forgoing payments into the pension system. The USWA also understood that the possibility of complete business failure and subsequent bankruptcy was likely, and that in the event of a cataclysmic failure, many retirees would be affected. In order to head off this potential calamity and establish control of an extremely large body of former union members, who in many cases had helped to establish the union in the late 1930s, the USWA began the process of trying to rein in retirees. On May 23, 1985 it announced its plans to create the Steelworkers Organization of Active Retirees (SOAR), which was a USWA controlled

locals. For more information on the end of industry wide bargaining and its impact on the USWA see Hoerr, *And the Wolf Finally Came*, 474, 492-493.

³ "USWA, four steel producers in contract talks," *Steelabor* 51, no. 3, March 1986, 5.

⁴ The Corporate Affairs Department of the LTV Corporation, *LTV Looking Ahead* (Dallas, The Corporate Affairs Department of the LTV Corporation, 1980).

organization with the task of representing the needs of retirees. SOAR was structured in a similar fashion as the USWA with local, district and international affiliation. SOAR, unlike Solidarity USA, which was funded primarily through donations, was a dues paying organization with 30 percent of dues going to the local, 30 percent going to the district, and 40 percent going to the international headquarters.⁵

The USWA in an undemocratic fashion officially established and named SOAR's international leadership on October 21, 1985. The appointed President of SOAR was I.W. Abel, former USWA International President famous for devising and implementing the 1973 Experimental Negotiating Agreement, which gave up the union's right to strike even after the expiration of a contract.⁶ Abel understood how to manage a top-down organization and it was no surprise that Lynn Williams designated him to run SOAR with the mission to carry out the following:

The purpose of the new association, as set forth in its constitution, is to deal with the social, economic, educational, legislative and political developments and concerns of retirees and their spouses, the USWA and the labor movement. It will also strive to improve the communities in which SOAR members live, help advance union policies, and engage in action 'directed at bettering our nation and safeguarding and enhancing the economic security and general wellbeing of all its members and older and retired persons in general, through educational, legislative, political, civic, social, community and other activities.⁷

Outside of this well thought-out statement of purpose, SOAR had other motivations and goals. One of SOAR's main goals was to bring under its umbrella, retiree groups that had formed throughout the country, and which, had no affiliation to

⁵ "Steelworkers retirees will SOAR into involvement," *Steellabor* 50, no. 5, May 1985, P?

⁶ John P. Hoerr, *And the Wolf Finally Came: The Decline of the American Steel Industry* (Pittsburgh: University of Pittsburgh Press, 1988), 111-113.

⁷ "SOAR is new USWA senior activist group," *Steellabor* 50, no. 11 & 12, November-December 1985, 7.

the USWA outside of the fact that their members had once been USWA members. At the time of SOAR's formation, the USWA estimated that there were approximately seven hundred retiree organizations to be brought under SOAR's control, and by extension the USWA. However, the USWA realized that there were possibly some retiree organizations and clubs that were not compatible with the ideals and policies of SOAR and the USWA. The USWA noted in the November-December 1985 edition of *Steelabor* (the USWA's newsletter) that local retiree clubs were eligible to enter SOAR "...if the purpose and policies of such existing groups are consistent with the new national organization's constitution."⁸ Ultimately, the USWA and SOAR looked for loyal membership that would show deference to the leadership of both organizations, and in the end, be relied upon to support their policies 100 percent.

From the outset of the LTV bankruptcy, the USWA and SOAR emphasized expanding the ranks of SOAR. The USWA consistently promoted the new retiree organization in their *Steelabor* publication, where they regularly touted SOAR's growth throughout the country. Even though the USWA established SOAR in May 1985, it was not until October 1986 that SOAR officially created its first local chapter in Erie County, Pennsylvania.⁹ The USWA consistently proclaimed SOAR's growth within the pages of *Steelabor*; however, the degree to which SOAR grew during this time period is questionable.

⁸ "SOAR is new USWA senior activist group," 7.

⁹ "First SOAR chapter," *Steelabor* 51, no. 10, November-December 1986, 13.

Throughout the summer and fall of 1987 SOAR established a few new chapters such as the Philip Murray chapter in Pittsburgh, Pennsylvania as well as numerous local chapters in the District 31 area of Chicago, Illinois, which by the fall of 1987 had an estimated 1000 members dispersed over six chapters. District 31 also had the distinction of being home to the largest SOAR chapter, local 1011, which in late 1987 had 417 members. By January 1988, District 31 as well as other districts throughout the country showed some SOAR expansion with District 31 growing to 11 chapters and SOAR growing to 27 chapters in total.¹⁰ By February 1988 SOAR maintained 27 chapters with an estimated membership of 20,000.¹¹ However, this estimate is not accurate. Only four months prior to February 1988, in October 1987, the largest SOAR chapter, local 1011 of District 31, had 417 members. If by February 1988 each of SOAR's 27 chapters had at least 417 members, SOAR would not have had 20,000 members; instead they would have had only 11,259 members. The only way that SOAR could have come close to 20,000 members (given the hypothetical that each chapter achieved a membership of at least 417 by February 1988), SOAR would have needed at least 48 chapters with 417 members each to have reached the 20,000 mark. This proves that the numbers touted by the USWA were embellished. In order to achieve the 20,000 members with 27 chapters, each chapter would have had to have had approximately 741 members each, which was highly unlikely.

¹⁰ "SOAR membership growing fast: Retiree chapters receive new chapters," *Steelabor* 52, no. 6, July-August 1987, 21; "New Chicago SOAR chapter founded: Organized by District 31 retired steelworker," *Steelabor* 52, no. 7, September-October 1987, 21; "SOAR board vacancies filled, Chapters added," *Steelabor* 53, no. 1, January 1988, 21.

¹¹ "SOAR president urges organizing drive: Effectiveness lies in numbers, says Mayfield," *Steelabor* 53, no. 2, February 1988, 22.

The SOAR membership numbers provided by the USWA in February 1988 again come into question when compared to the numbers provided for September 1988. By September 1988, the USWA in *Steelabor* noted that SOAR membership had reached 24,000, which highlights extremely slow growth over an 8 month period from February 1988 to September 1988 as compared to the supposed 4 month increase the USWA touted from October 1987 to February 1988.¹² However, the need for the USWA and SOAR to show consistent and strong growth even if that growth was embellished remains understandable in light of the fact that membership numbers equal political strength and influence, and with over 450,000 retirees and approximately 225,000 spouses of retirees on which to draw from, it is no wonder that the USWA and SOAR consistently tracked and promoted SOAR's growth.¹³

Occasionally USWA leaders and SOAR leaders used rhetoric promoting SOAR as an organization for the individual retiree, but only in the sense that a retiree subscribed whole-heartedly to USWA and SOAR policy. For instance in January 1987 USWA President Lynn Williams commented on the SOAR/retiree relationship and noted:

A retired Steelworker is not a retired union member. You will always be a part of our union family. Through SOAR, you can be retired, yet active, member of our family. Behind every flame is a spark of light. SOAR is your spark—you can bring about the flame by joining SOAR and enthusiastically supporting its goals.¹⁴

Lynn Williams' statement was designed for the recruitment of the individual retiree, who according to Williams, could once again play an important role in the union and still be retired; however, the USWA and SOAR never clearly defined the role of a member of

¹² "SOAR role Seen," 23.

¹³ "SOAR role Seen," 23.

¹⁴ "On the line-with SOAR and the USWA!," *Steelabor* 52, no. 1, January 1987, 24.

SOAR. Instead, the only clear definition of the role of a SOAR member was locked within Williams' statement of "enthusiastically supporting its goals," which inherently relegates a retiree to the role of a "yes man."¹⁵ The words of other USWA and SOAR leaders moved beyond an emphasis on the individual and began to focus more on the need for SOAR to increase its membership numbers, instead of focusing on the particular needs of retirees stemming from the LTV bankruptcy.

Harry Mayfield, former District 27 (Eastern Ohio) USWA Director and SOAR president—appointed after the death in late 1987 of the first SOAR president I.W. Abel—called in early 1988 for a continued and sustained organizing drive for SOAR. He stated, "we must get out there and make pitches to local unions, retiree clubs, subdistrict councils and individual Steelworkers." He also noted in a speech to the SOAR Executive Board, "we must take our mission to organize the retirees as seriously as the international union takes its mission to organize new members. That is why we must make organizing new chapters our main goal."¹⁶ Leon Lynch, USWA Vice President and Chairmen of the USWA's Political, Legislative, Social and Civil Rights Task Force commented in a Task Force report "...we must take full advantage of a heretofore untapped resource—our retired members."¹⁷ This statement screamed how can the retirees help the USWA rather than, how can the USWA do everything within its power to help retirees? Further on in the report, Lynch commented that retirees should play a

¹⁵ "On the line-with SOAR and the USWA!," 24.

¹⁶ "Mayfield: New SOAR President: Former USWA district director to take reins," *Steelabor* 53, no. 1, January 1988, 21; "SOAR president urges organizing drive: Effectiveness lies in numbers, says Mayfield," *Steelabor* 53, no. 2, February 1988, 22.

¹⁷ "Report of the Political, Legislative, Social and Civil Rights Task Force: Leon Lynch, Chairman and International Vice President," *Steelabor* 53, no. 6, August-September 1988, 15.

role within the USWA and SOAR; however, that role should only be utilized at the local level, which ultimately negates any activity or disagreement of retirees toward the International USWA leadership and their policies, but allowed the USWA in the words of Lynch to “...take full advantage of a heretofore untapped resource....”¹⁸

By the late summer of 1988, the USWA continued to try to expand the ranks of SOAR. In September and October of 1988, the USWA initiated a new SOAR membership drive through the mail. The USWA and SOAR sent organizational literature and sign up forms to approximately 390,000 retired USWA members, including Youngstown area retirees, in an attempt to rein in retirees already associated with retiree organizations such as Solidarity USA.¹⁹ On September 21, 1988, SOAR’s mail-based membership campaign arrived in Youngstown, Ohio. On that day Youngstown-based LTV retirees began receiving SOAR sign up forms in their mailboxes. When a retiree opened the SOAR promotional packet he or she found statement such as “SOAR even though you’re retired...you can still be a part of the United Steelworkers of America and get great benefits.”²⁰ As well as “The USWA is still your union. And as a retiree, you can double your influence by becoming a member of SOAR...”²¹ This campaign culminated with the introduction and establishment in November 1988 of the first Youngstown-based SOAR chapter located at USWA local Union 1331.²² However, even

¹⁸ “Report of the Political, Legislative, Social and Civil Rights Task Force: Leon Lynch, Chairman and International Vice President,” 15.

¹⁹ “SOAR gets surge of new members,” *Steellabor* 53, no. 8, November-December 1988, P?

²⁰ SOAR recruitment brochure, September 21, 1988, SA, s 2, c 9, f 122, OHS/YHCIL, front cover.

²¹ SOAR to All retired LTV Steel members of the United Steelworkers of America and Spouses, September 21, 1988, SA, s 2, c 9, f 122, OHS/YHCIL.

²² USWA District 27 Director Joseph M. Coyle to USWA retirees and spouses, October 31, 1988, SA, s 2, c 9, f 121, OHS/YHCIL.

though the USWA established a SOAR chapter in Youngstown, Ohio, the national mail drive proved to be anemic. According to the USWA the mail campaign targeted approximately 390,000 retired members, but by November 1988 SOAR only extended its membership by 5000 members giving them an estimated total membership base of only 30,000.²³

For members of retiree groups similar to Solidarity USA, SOAR did not pose much of a threat. In fact, Solidarity USA and retiree groups such as Canton, Ohio's Retirees Against Greed and Exploitation (RAGE) and Aliquippa's Tunnel Rats for Workers Solidarity had been in existence for over two years prior to the opening of Youngstown's first SOAR chapter. Solidarity USA under the leadership of Delores Hrycyk had already beaten the USWA in terms of providing local retirees with an organization designed to help them preserve and win back lost pension and healthcare benefits. When LTV announced the termination of retiree healthcare benefits, and when the PBGC took over LTV's pension plans, it was Delores Hrycyk and Solidarity USA, and not the USWA, that was there to offer meaningful guidance and support to dispossessed retirees. Ultimately, by the close of 1988, Solidarity had strengthened its relationship with its members as well as other retiree organizations and had developed and passed on their collective bargaining demands to the USWA. Even in the face of intransigence on behalf of the USWA toward Solidarity USA and other groups like it, Solidarity USA remained strong and extremely motivated to continue their fight for a voice within their former union.

²³ "SOAR gets surge of new members," P?

The USWA and SOAR's true feelings toward outside organizations such as Solidarity USA were manifested by early 1990 in the publication of SOAR's bylaws. The passage stated the following:

Whereas, **SOAR**'s ability to serve our retired members in an appropriate way during negotiations is today threatened by disruptive tactics of certain rump groups that claim to represent retirees. The goal of **SOAR** is to re-identify USWA retirees with the international Union. The actions of such dissident groups result in alienating retirees from the international Union, and, Whereas, our union's traditional and historic function in any contract negotiations would be seriously jeopardized if, to any degree, officially or semi-officially, we permit the bargaining agenda for retirees to be formulated or influenced by such dissidents,....²⁴

Although the bylaws never specifically mentioned Solidarity USA, it was clear from this statement that Solidarity USA fell into the USWA and SOAR's classification of "rump groups" and "dissidents." The bylaws argued against allowing input from the outside because in their view it would undermine the union; ironically, the union that feared that outside organizations would erode union strength eventually agreed to adopt many of the collective bargaining proposals of the dissident groups they so loathed.

The USWA continued to denounce groups such as Solidarity USA and continued to push to strengthen SOAR. Perhaps, Staughton Lynd's words best summarize what the organization called SOAR truly was. Lynd in a draft article that was eventually published in a condensed version in *Labor Notes*—a Detroit, MI, based labor newsletter—observed that "Had Soar been formed by a company, it could properly be called a 'company union!'"²⁵ In general Lynd was accurate about the true nature of

²⁴ "Special Edition," *SOAR Insider* 3, no. 1, March 1990, 1-2.

²⁵ Staughton Lynd, "LTV Steel Retirees ask for a Voice," (Draft article sent to Jane Slaughter for publication in *Labor Notes*), April 12, 1990, SA, s 2, c 8, f 105, OHS/YHCIL, 3.

SOAR. SOAR was a mechanism devised by USWA in order to regain control of a large body of dispossessed retirees, and established in order to allow the USWA to maintain its hegemony over its members as well as to head off the formation of outside groups during a period of time in which the USWA foresaw problems for retirees. Similar to a company union, which is a union in name only and controlled by management, SOAR was a retiree organization in name only and it was controlled by the USWA. The USWA established SOAR to help them maintain political influence by mobilizing retirees to make up for active membership losses. Ultimately members of SOAR, unlike members of Solidarity USA, lacked democratic control of their organization. SOAR was led from the top down, Solidarity USA was led from the bottom up. In the end, Solidarity USA was able overcome the influence of SOAR. Solidarity USA would have to continue to mobilize and protest against the USWA in order for the union to hear its voice and bargain with LTV in order to preserve the healthcare and pension benefits originally promised to thousands of retirees.

Chapter 4: Solidarity USA and the USWA

“Over the past few years we felt the big boys in the USWA forgot where they came from. After yesterday, we feel they remember now, and know why we do what we do. Now together we can get Mr. Big Bucks in a room, and with common sense, do what’s right.” *Solidarity USA member John Landgraver after the December 7, 1989 meeting and demonstration at the USWA Headquarters in Pittsburgh, PA.*¹

LTV Steel retirees faced challenges from economic, political and legal institutions such as corporate America, the U.S. Congress and the U.S. Judicial system. They had to make their presence constantly known in order to make their plight a reality in the minds of those who held the reins of power. Whether it was LTV management, Congressional leadership or the Bankruptcy Court Judge, Burton Lifland, Solidarity USA understood that constant pressure against these institutions in the form of continuous dialogue and direct action was the only way to preserve what was so long promised to them, their health and pension benefits.

It came as no surprise that Solidarity USA faced challenges from a legal system that so often was shaped to meet the needs of the top of society, or corporate America whose number one priority is to make a profit, or a legislative system that was constantly bombarded with special interest money; however, it was more of a shock to find out that Solidarity USA faced a formidable obstacle from its former union, the United Steel Workers of America (USWA). Trying to come to terms with this reality was a difficult task. For many years, especially after the end of World War II, the union was an institution established to give working-class men and women power and a voice within the workplace, fighting vehemently to raise wages and benefits as well as to establish

¹ Solidarity Newsletter, no. 17, December 1989-January 1990, SA, s 2, c 8, f 108, OHS/YHCIL, 1.

safe working conditions. This was especially true in the case of the USWA, which was formed out of the crucible of the Great Depression and whose organizing drive was catalyzed by the passage of the 1935 Wagner Act and the subsequent creation of the Committee for Industrial Organizations (CIO).² However, unionization also had a flaw. Many unions similar to the USWA were formed and controlled from the top down, often leaving the rank-and-file worker stuck between two powerful opposing forces, the company and the union.³

In theory, once a steelworker retired, he or she discarded the shackles of institutional power, and became free to enjoy his or her “Golden Years” with friends and family, and live comfortably on the deferred wages bargained for in years past (which in retirement manifested themselves in the form of a reliable monthly pension check and

² For more information on the creation of the USWA see, Irving Bernstein, *Turbulent Years: A History of the American Worker 1933-1941* (Boston: Houghton Mifflin Company, 1969), especially pages 432-499; Walter Galenson, *The CIO Challenge to the AFL: A History of the American Labor Movement 1935-1941* (Cambridge: Harvard University Press, 1960), especially pages 75-122; Robert R. R. Brooks, *As Steel Goes...: Unionism in a Basic Industry* (New Haven: Yale University Press, 1940); Melvyn Dubofsky and Warren Van Tine, *John L. Lewis: A Biography*, Abridged ed. (Urbana: University of Illinois Press, 1986), especially pages 129-278; Paul F. Clark, Peter Gottlieb, and Donald Kennedy, eds., *Forging a Union of Steel: Philip Murray, SWOC, & the United Steelworkers* (Ithaca: ILR Press, 1987); James D. Rose, *Duquesne and the Rise of Steel Unionism* (Urbana: University of Illinois Press, 2001); John P. Hoerr, *And the Wolf Finally Came: The Decline of the American Steel Industry* (Pittsburgh: University of Pittsburgh Press, 1988), especially pages 261-278.

³ On the top down management style of many industrial unions, including the USWA, see Philip W. Nyden, *Steelworkers rank-and-file: the political economy of a union reform movement* (New York: Praeger, 1984); Alice Lynd and Staughton Lynd, eds., *Rank-And-File: Personal Histories by Working-Class Organizers* (New York: Monthly Review Press, 1973), especially pages 259-278; Staughton Lynd and Alice Lynd, eds. *The New Rank and File* (Ithaca: ILR Press, 2000); Staughton Lynd, “The Possibility of Radicalism in the Early 1930s: The Case of Steel,” in *Workers’ Struggles Past and Present: A “Radical American” Reader*, ed. James Green (Philadelphia: Temple University Press, 1983); Staughton Lynd ed. *“We Are All Leaders”* (Urbana: University of Illinois Press, 1996); David Brody, “The Origins of Modern Steel Unionism: The SWOC Era,” in *Forging a Union of Steel*, eds. Clark, Gottlieb and Kennedy, 13-29; Jack Metzgar, *Striking Steel: Solidarity Remembered* (Philadelphia: Temple University Press, 2000), 161-169 & 173-174; Hoerr, *And the Wolf Finally Came*, 250-260; Nelson Lichtenstein, *State of the Union: A Century of American Labor* (Princeton: Princeton University Press, 2002), 142-148, 258, 274.

access to affordable health care. These were contingent, however, on the continued financial wellbeing of a private employer). This again was the idealized and theoretical version of the American dream: a private welfare state. However, theory and ideology often fall victim to the stark reality of an unforgiving world; a world that in the 1980s was speeding toward corporate globalization and changing modes of capital accumulation. Unfortunately for LTV Steel retirees, they encountered this flux as storm clouds continued to form over the once dominate American steel industry.

LTV's Chapter 11 bankruptcy once again exposed retirees to the burdensome restraints of institutional power and dominance. These new realities imposed serious financial and physical circumstances on retirees, and tragically, led some retirees to their grave.⁴ In order to fight back against the consequences of corporate bankruptcy, retirees immediately looked to their former union for help. However, what they found was a general contempt for retirees, especially those associated with organizations outside of USWA control. For organizations similar to Solidarity USA, their attempt to interact with the USWA on issues germane to retirees proved to be a frustrating task. Historically, once a steelworker retired he or she was no longer a dues paying member of the union; however, the benefits the union bargained for when a steelworker was a dues paying member were still subject to revision; but now as retirees, former steelworkers could no longer provide their input in contract negotiations or vote for USWA leadership. Ultimately, the LTV bankruptcy coupled with the USWA's declining strength, due in large part to the struggling industrial economy of the 1980s, would force the USWA into

⁴ "LTV Retirees Demand: 'no reduction in Health and Pension Coverage,'" summer 1988, SA, s 2, c 9, f 124, OHS/YHCIL, 1-3.

concessionary bargaining, which greatly affected retirees who had absolutely no input in the bargaining process.

The USWA through the late 1970s and into the 1980s faced the harsh reality of a struggling and restructuring steel industry as well as a changing economic environment, and as a result, a diminished union membership. For example, from 1977 to January 1986, employment in the basic steel industry decreased by more than half, from 452,000 to 200,000.⁵ During this time period the steel industry faced a crisis in profits, due in large part to increased competition from foreign steel producers, which forced them to develop tactics to overcome their precarious fiscal circumstances. U.S. steel companies faced severe cash flow limitations and many were forced to sell assets, borrow heavily or use their savings. In doing this, payments into pension funds were often only paid at the minimum legal requirement in order to facilitate a struggling steel company's ability to stay in business.⁶ Tight money, in the form of limited profits and diminished access to private investment capital, also forced companies such as LTV Steel to look to workers and their unions to concede many hard-fought benefits and wages.⁷ Ultimately, these troubled circumstances, due in great part to cheap subsidized foreign steel and a high-valued U.S. Dollar, put workers and their unions into concessionary positions. These realities became even more apparent after LTV's bankruptcy, and would force the USWA—which was trying to maintain its power and legitimacy—to pit active workers against retirees.

⁵ "Steel industry in crisis: an American tragedy..." *Steellabor* 51, no. 1, January 1986, 11.

⁶ Hoerr, *And the Wolf Finally Came*, 421-422.

⁷ "Steel industry in crisis," 13.

Struggling to maintain its relevance and power as a union during a period of economic uncertainty, the USWA clung to its sense of top down control and pushed back hard against challenges to their power and authority. By 1985 the USWA foresaw trouble on the horizon for retired steelworkers and created the Steelworkers Organization of Active Retirees (SOAR) to begin the process of bringing retirees (estimated to be approximately 675,000 retirees and spouses) back under their control.⁸ In doing so members of Solidarity USA had to maintain constant vigilance in the face of the USWA's intransigence and disdain for retiree organizations outside of their purview. Solidarity USA's persistence in trying to establish a line of communication with the USWA and its use of non-violent direct action helped to exfoliate the union's rough exterior. Ultimately, Solidarity USA's tenacity proved to have an influence on USWA policy, enabling LTV retirees to win back, through collective bargaining, much of their pensions and benefits lost from the 1986 bankruptcy.

We Want a Voice

Immediately at the outset of LTV's bankruptcy, retirees who became members of Solidarity USA, as well as non-retiree/non-steelworker associate members of Solidarity USA, such as Alice and Staughton Lynd, were skeptical of the union's efficacy in representing retirees adequately over the course of LTV's bankruptcy, especially since retirees paid no union dues and were not legally eligible to have a voice within the union. Cora Sanchez, who would go on to become an integral member of Solidarity USA, was not impressed with the response of both civic leaders and union officials at the July 26,

⁸ "SOAR role seen," *Steellabor* 53, no. 6, August-September 1988, 23.

1986 post-bankruptcy rally in downtown Youngstown, Ohio. Sanchez noted the following in Staughton and Alice Lynd's *'We Are All We've Got': Building a Retiree Movement in Youngstown, Ohio*:

We went to the rally at Federal Plaza. All these big shots got up there and talked and we asked the union man, 'what's going to happen to us?' And he said, 'You have to wait and see.' I'll never forget his words. It made me so mad, I thought, 'I'm not going to wait and see.'⁹

This initial disenchantment with the USWA was also manifested in Staughton Lynd's view of the post-bankruptcy strike at LTV's Indiana Harbor Works in East Chicago. Lynd argued that the Indiana Harbor strike was not initiated by the USWA, but rather, the USWA only took credit for calling the strike after it was already in progress. Lynd espoused that the strike was catalyzed from the bottom up and he noted in *'We Are All We've Got'* that:

I don't think they [the USWA] had a thing to do with it. I think it was first of all the women, the wives of retirees, and secondly the guys inside who felt ashamed when they saw how these women were being treated outside the plant.¹⁰

It was clear that some members and associates of Solidarity USA did not think highly of the USWA when it came to their dedication in defending LTV retirees' interests.

Solidarity USA's disenchantment with the USWA continued to grow throughout the post-bankruptcy period due in great part to the USWA's antipathy toward organizations representing retirees who were not affiliated with the union.

⁹ Alice Lynd and Staughton Lynd, "'We Are All We've Got': Building a Retiree Movement in Youngstown, Ohio," in *Law Stories: Law, Meaning and Violence*, eds. Gary Bellow and Martha Minow (Ann Arbor: The University of Michigan Press, 1996), 80-81.

¹⁰ Lynd and Lynd, *'We Are All We've Got'*, 79-80. For another account of this event see Hoerr, *And the Wolf Finally Came*, 508. Hoerr never discusses the possibility of the Indiana Harbor strike being initiated from the bottom up; however, Staughton Lynd makes a strong and compelling argument for the bottom up theory.

A major point of antagonism between Solidarity USA and the USWA revolved around the post-bankruptcy contract negotiated between LTV and the USWA in the spring and summer of 1987. This contract negotiation began on April 8, 1987 in the wake of the Pension Benefit Guarantee Corporation's (PBGC) January 13, 1987 takeover of LTV's pension plan.¹¹ The PBGC's pension plan takeover was, in theory, supposed to ensure the payment of pensions in the event of a business failure. For the most part the PBGC accomplished its job of paying out retirees' basic monthly pensions checks; however, they were not mandated to pay the pension supplement checks guaranteed to numerous early retirees.

Throughout the 1980s many U.S. steel producers such as LTV reduced their steelmaking capacity and subsequently their workforce. This led to the practice of offering early retirements to many steelworkers. The Basic Steel contract of 1983 contained one of the first provisions for such retirements. Steelworkers, who were employed in basic steel and who were over the age of 60, could apply for early retirement and receive a basic pension as well as a \$400 monthly supplement check designed to cover the Social Security gap until age 62.¹² Later in the collective bargaining sessions of early 1986, companies such as LTV, who were continuing to reduce their employment structure, bargained with the USWA for 70/80 early retirements. This provision allowed any LTV steelworker to take an early retirement if their years of service and age added up to 70 or 80. Those eligible for early retirements, often steelworkers in their 50s, could

¹¹ "USWA wins agreement on LTV hardship payment," *Steelabor* 52, no. 3, March-April 1987, 11; "USWA, SOAR fight to preserve LTV pensions," *Steelabor* 52, no. 1, January 1987, 6.

¹² Hoerr, *And the Wolf Finally Came*, 382,385.

receive retirement benefits similar to the 1983 contract: their basic pension and a \$400 monthly supplement.¹³ Again, the \$400 dollar monthly pension supplement was designed to fill a retiree's monetary needs until he or she became eligible for Social Security at age 62. However, unlike the 1983 contract, where early retirees were closer to the age requirements for federal entitlements such as Social Security and Medicare, those offered early retirements in 1986 were largely outside the age requirements for such programs. This fact proved harmful to many younger early retirees, especially after the LTV bankruptcy and the subsequent loss of contractual benefits.

The USWA reacted to the PBGC takeover by initiating contract negotiations with LTV in an attempt to recoup the losses incurred by retirees and active workers. The ultimate goal of the USWA was to establish a new pension agreement for active workers as well as to fix the pension gap for early retirees who lost their supplemental payments.¹⁴ Retirees had no opportunity to provide input in or vote on this new contract, which further ignited Solidarity USA's feelings of discontent and abandonment regarding the USWA.

By July 1987—almost a year past LTV's Chapter 11 bankruptcy filing—the USWA/LTV post-bankruptcy contract talks came to an end. As LTV and the USWA were finalizing the 1987 contract, LTV Steel retirees found out many of the details of the proposed contract and were not pleased. They discovered that the USWA had negotiated back approximately 92 percent of the supplemental payment, which on the surface seems

¹³ Hoerr, *And the Wolf Finally Came*, 419-422.

¹⁴ "LTV contract talks end with rejection," *Steellabor* 52, no. 4, May 1987, 4.

like a step in the right direction; however, retirees had initially been promised a 100 percent supplemental payment, and they felt that LTV had an obligation to pay it. The second point of contention with the post bankruptcy contract revolved around a new \$26.82 monthly premium fee for basic medical insurance, which, prior to this contract, was free of charge. However, the new \$26.82 premium was subject to reimbursement. The contract stated,

For any calendar year where the profits of the Company are in excess of \$200 million, up to 10% of that excess may be used to reimburse pensioner and surviving spouse contributions paid that year.¹⁵

Even though the new contract had a built-in mechanism allowing for the reimbursement of the basic medical premium, retirees still had to rely on LTV reaching a certain profit level. Retirees understood that under the new contract they were forced to pay a new charge and that the likelihood of reimbursement was low.¹⁶ The post-bankruptcy contract and the new policies that accompanied it, especially the new \$26.82 monthly premium, became one of the major points of contention between Solidarity USA and the USWA. Solidarity USA members understood that retirees would be reimbursed for their yearly premium contributions if, and only if, LTV reached a certain profit level for the year. However, they also understood that if LTV did not reach the profit margin required for reimbursement, or if the corporation manipulated the accounting system to show profits insignificant enough to allow for non-reimbursement, retirees might never receive their premium payments back. This meant that for retirees, yearly fights over basic medical premium reimbursement seemed inevitable.

¹⁵ P3 section 4.2 of the 1987 LTV-USWA contract, 1987, SA, s 2, c 8, f 119, OHS/YHCIL, 3.

¹⁶ "LTV Retirees dissatisfied with partial benefit deal," *Warren Tribune Chronicle*, July 17, 1987.

By June 1988, Solidarity USA realized that appealing directly to LTV to reimburse the yearly basic medical premiums and end the premium payments altogether was futile. Instead, Solidarity USA decided to appeal to the USWA to have them negotiate an end to the \$26.82 premium during the course of their next collective bargaining session with LTV. Solidarity USA leadership understood that establishing its voice within the upper echelons of the USWA would be difficult; however, they proceeded to push for agency within their former union.

Before appealing directly to the USWA, Solidarity USA leadership initially looked to the bankruptcy court in New York City seeking a voice. In the court, they petitioned to become a “party in interest” in the LTV bankruptcy proceedings, which allowed Solidarity to stay abreast of the issues addressed by the court.¹⁷ On July 27, 1988 Solidarity USA’s attorneys, Alice and Staughton Lynd, submitted Solidarity’s motion to intervene. The motion was not only submitted on behalf of Solidarity USA Youngstown, Ohio, but also on behalf of Solidarity USA, Aliquippa, Pennsylvania; Retirees Against Greed and Exploitation (RAGE), Canton, OH; Tunnel Rats for Workers Solidarity, Aliquippa, Pennsylvania; and Nicholas Boytim President Local 185 Retirees, USWA in Cleveland, Ohio. The motion argued that the USWA did not have retirees’ best interest at hand and specifically stated the following:

The interests of retirees are not adequately represented by existing parties. Under the Constitution and Policy Resolutions of the United Steelworkers of America, retirees are not members of the Union, do not vote for officers or representative, do not vote on ratification of contracts, and have no right to be heard or to give

¹⁷ Staughton Lynd to Solidarity USA members, June 28, 1988, SA, s 2, c 9, f 124, OHS/YHCIL.

their consent to modification of their benefits before the Union acts on their behalf in collective bargaining.¹⁸

Unfortunately for retirees, this statement was indeed reality. Retirees inside and outside USWA channels, including the USWA's sister organization SOAR, had absolutely no voice or authority over those who were representing them on matters that significantly impacted their lives.

During the late summer and early fall of 1988 retirees associated with Solidarity USA became more and more disenchanted with their former union's treatment of retirees and the retiree issues that stemmed from the 1986 LTV bankruptcy. By July 31, 1988 Solidarity USA members saw that a more substantial fight on their behalf needed to be waged in order to get the USWA to recognize and to work with their organization. John Landgraver, who was the writer of the "Paper Talk" section of the Solidarity USA monthly newsletter, described Solidarity USA's feelings about the USWA's unfair treatment. He noted in the August 1988 newsletter,

...we are no longer going to 'sit in the back of the bus,' or 'sit in the back of the auditorium.' We think we should have some representation there [in the USWA], not to do with wages and things affecting current employees, but to do with our pensions because we're tired of being pushed around.¹⁹

Landgraver's analysis, that Solidarity USA's members were ready to increase pressure on the USWA, manifested itself throughout August, September and October 1988. Beginning in August, Solidarity USA requested the presence of a USWA official to attend its monthly membership meeting in order to discuss the current state of retiree

¹⁸ "Motion by Party in Interest to Intervene Generally and to Receive Notices," Alice Lynd to Clerk of Courts U.S. Bankruptcy Court, New York, July 27, 1988, SA, s 2, c 9, f 124, OHS/YHCIL, 1-3.

¹⁹ Solidarity Newsletter, no. 1, August 1988, SA, s 2, c 9, f 124, OHS/YHCIL, 2.

issues and the state of the LTV bankruptcy. After Solidarity sent out an invitation to the USWA, it remained skeptical that the union would actually send an official to the meeting. Solidarity leadership noted to its members in the August 1988 newsletter “Come and see whether there is a live body or an empty chair.”²⁰ Solidarity’s skepticism proved to be correct. Initially, the USWA agreed to send a representative to the meeting, but the representative never showed and there was indeed “an empty chair.”²¹ The USWA’s failure to send a representative to the meeting further solidified Solidarity USA’s understanding that the USWA was not on their side. By refusing Solidarity’s offer, the union sent a message to Solidarity USA, and that message was clear; in the eyes of the USWA, Solidarity USA was an illegitimate organization.

Solidarity’s elected leadership realized that even though the USWA was not friendly to them, the union still had the ability to impact the lives of Solidarity members via the collective bargaining process. The USWA in the summer of 1987 established a new collective bargaining agreement that added to the burden already faced by LTV retirees due to the 1986 LTV bankruptcy. By August 1988, Solidarity USA leadership decided to put into writing a list of collective bargaining demands and to pass those demands on to the USWA.²² By September 1988, Solidarity USA had drafted a base line 10 point list of collective bargaining demands, which were to be sent directly to the USWA LTV negotiating committee’s Tony Rainaldi and Joe Coyle. Demand number one was the most important for Solidarity USA members. It called for a voice within the

²⁰ Solidarity Newsletter, no. 1, 1.

²¹ Solidarity Newsletter, no.2, September 1988, SA, s 2, c 9, f 123, OHS/YHCIL, 2; Solidarity Newsletter, no.3, October 1988, SA, s 2, c 9, f 122, OHS/YHCIL, 1.

²² Solidarity Newsletter, no.2, 1.

USWA on matters concerning retirees. Solidarity USA wanted to be present during collective bargaining sessions in order to provide advice and input into the process. They also wanted retirees to have the ability to voice their support or rejection of a proposed contract via a retiree “advisory poll.” In order to drive this point home to Rainaldi and Coyle, Solidarity pointed to a collective bargaining agreement from Canada between the USWA and the International Nickel Company (INCO), in which, SOAR members not only had a voice in the contract negotiations but two widows of former steelworkers, Mrs. Irene Gallagher and Mrs. Helen Mihalcin, also were allowed to testify during the collective bargaining proceedings.²³ Demand number two called on the USWA to bargain away the \$26.82 monthly premium for basic medical coverage established from the post-bankruptcy collective bargaining agreement of 1987, and to also fight to ensure that retirees were reimbursed in full for their monthly basic medical premiums paid throughout 1988. Demand number 3 concerned itself with supplemental payments. This demand called on the USWA to bargain back 100 percent of the pension supplement payment, which the 1987 contract had reduced to 92 percent. Demand number three also called for the elimination of FICA, State and Federal taxes paid on supplemental payments, which were being levied due to the fact that supplements were not part of a defined benefit pension plan. Demand number four called on the USWA to bargain for the establishment of pension payments to widows of pre-1974 steelworker retirees who were not eligible for an extension of their husband’s pension after his death. This

²³ Staughton Lynd and Solidarity USA Inc., to Anthony Rainaldi and Joseph M. Coyle USWA, Chairman and Secretary, LTV Steel Negotiating Committee, October 1988, SA, s 2, c 9, f 121, OHS/YHCIL; “Landmark Pension Gains in New USWA-INCO Pact,” *The Steelworkers Oldtimer* XI, no. 2 (Summer 1988): 1-7.

demand also had a precedent in the previously mentioned USWA-INCO agreement. Demand number five called for an end to the reduction of pension payments at the age of 60 for post-1974 spouses of deceased retirees and it called for the transferability of pensions to the spouses of remarried retirees. Demand number six looked to extend pension supplement payments to age 65, and demand number seven sought to ensure that retirees who were receiving disability payments maintained their eligibility to collect supplement payments. Finally, demands eight, nine and ten requested that retirees maintain full life insurance benefits with age, receive eye and dental care extensions up to age 65, and ensure cost of living adjustments (COLA) on pensions.²⁴

To strengthen the legitimacy of their collective bargaining demands before they were sent off to Rainaldi and Coyle, Solidarity USA sought the input and advice of other LTV retiree organizations. To accomplish this, Solidarity leaders invited organizations such as the Solidarity USA chapter in Aliquippa, Pennsylvania; the Aliquippa Tunnel Rats for Workers Solidarity; LTV retirees from Cleveland, Ohio; and RAGE retirees from Canton, Ohio, to their October monthly meeting. The ultimate goal of the meeting was to establish “...a single, unified program that all our groups will support.”²⁵

The October 1988 meeting was lively and electric. The energy of the meeting was not surprising considering all that retirees had faced since LTV declared bankruptcy in 1986. Retirees had a legitimate right to be angry; however, some retirees at the meeting showed a proclivity for violence. In fact a few retirees in attendance began

²⁴ Staughton Lynd and Solidarity USA Inc., to Anthony Rainaldi and Joseph M. Coyle USWA, Chairman and Secretary LTV Steel Negotiating Committee, October 1988, SA, s 2, c 9, f 121, OHS/YHCIL, 1-2.

²⁵ Solidarity Newsletter, no. 3, 1.

insinuating the need for violence as a means to achieve their goals. Solidarity USA member John Landgraver felt personally that violence only played into the hands of the top of society. In the November 1988 Solidarity newsletter Landgraver with great wit, and in his steelworker style, critiqued the rationale of those at the meeting who called for violent action and stated, “Your steel must be quality control. You just can’t go off sounding like an ingot when it hits the first roll in a blooming mill. The steel looks better and sounds better at the other end of the mill.”²⁶ Despite the few who called for violence, Solidarity USA and its brother and sister organizations accomplished what they set out to do. They brought a large body of non-USWA and non-SOAR affiliated LTV retirees together to ratify and agree upon a set of ten collective bargaining demands to be sent to USWA leadership with the hope that all or some of the demands would be adopted by the USWA.²⁷

After Solidarity USA established its set of collective bargaining demands it had to face a troubling new circumstance. In the third quarter of 1988, LTV announced that it was taking a special charge of \$2.26 billion dollars that fully amortized the projected cost of their retiree medical and life insurance benefits. LTV took the charge in order to get out in front of a newly proposed Financial Accounting Standards Board rule, which was to go into effect in 1990 and would require companies to account for their projected cost of healthcare plans. LTV argued that it took the special charge in order to account fully for, and pay in one lump sum, all of their retiree liabilities. LTV justified taking the unmandated charge as follows: “We believe it is appropriate to record all of our liabilities,

²⁶ Solidarity Newsletter, no. 4, November 1988, SA, s 2, c 9, f 121, OHS/YHCIL, 3.

²⁷ Solidarity Newsletter, no. 4, 1.

including the one for these postemployment benefits, while the company is in Chapter 11 so that they may be appropriately dealt with in the reorganization process.”²⁸ Both the USWA and Solidarity USA suspected that the special charge was a subterfuge by LTV to show an earnings loss which would, according to the contract, allow LTV to avoid paying profit shares to active workers as well as allowing them to avoid reimbursing retirees their 1988 basic medical premiums, which for most retirees came to \$321.84.²⁹

A week before LTV announced its decision to take a special charge, Lynn Williams had scheduled a Basic Steel Industry Conference (BSIC) to be held in Washington D.C. at the Capital Hilton hotel December 12-13, 1988.³⁰ Immediately after LTV’s special charge announcement, Solidarity USA’s attorney Staughton Lynd sent a letter to Lynn Williams requesting a seat at the upcoming BSIC. The letter detailed Solidarity USA’s concern over the impact of LTV’s \$2.26 billion special charge and it requested that Williams allow Solidarity’s voice to be heard at the conference.³¹

In an effort to strengthen their attempt to obtain a seat at the December BSIC, Solidarity recruited the help of their local congressman, the infamous James Traficant. Traficant weighed in on the matter on November 29, 1988. On that date Traficant sent a letter to Lynn Williams in support of Solidarity’s cause. He requested that Williams allow representatives of Solidarity USA to attend the BSIC even though Solidarity

²⁸ “The LTV Corporation 3rd Quarter/Nine Months Report to Shareholders,” 1988, SA, s 2, c 8, f 119, OHS/YHCIL, 1; Thomas C. Hayes, “\$2.26 billion charge set by LTV: Back Health and Life Insurance Benefits for Retirees Cited,” *New York Times*, November 22, 1988.

²⁹ Pamela Gaynor, “USW feels ‘short changed’ by LTV,” *Pittsburgh Post Gazette*, November 23, 1988; Solidarity USA to Lynn R. Williams, November 23, 1988, SA, s 2, c 9, f 120, OHS/YHCIL.

³⁰ Lynn R. Williams to Local Union Presidents of the Basic Steel Industry, November 16, 1988, SA, s 2, c 9, f 120, OHS/YHCIL.

³¹ Solidarity USA to Lynn R. Williams, November 23, 1988.

members were not affiliated with SOAR, the USWA sponsored retiree organization.

Traficant stated,

I am asking that you personally extend an invitation to the members of Solidarity U.S.A. to be in attendance at that meeting. Realizing that a group by the name of S.O.A.R. has been created, and you are to be commended for that effort, a large majority of retired people who are feeling the impact of pension and health benefit problems are members of Solidarity. I, therefore, feel that as former steelworkers they may be able to give input to the solution of the problems that are now effecting [sic] them and retirees in the future.³²

Neither the letter from Solidarity requesting a seat at the BSIC nor James Traficant's support for Solidarity had any effect on Lynn Williams. The USWA maintained its position of not dealing with outside retiree organizations and on December 7, 1988, Williams officially informed Solidarity USA that it could not attend the BSIC. Williams justified his decision in a letter to Staughton and Alice Lynd informing them that the December 12-13 BSIC was not going to be addressing retiree issues. He noted that the upcoming BSIC was instead designed, "...to coordinate our work on an extension of steel import restrictions and contracting out..."³³ However, William's justification in hindsight proved to be only half true. On December 4, 1988 the *Pittsburgh Press* ran an article that described the mission of the December BSIC. The article noted that, beyond the BSIC's concern over "import restrictions," it was also going to begin to prepare for

³² United States Representative James Traficant Jr. to Lynn R. Williams, November 29, 1988, SA, s 2, c 9, f 120, OHS/YHCIL.

³³ Lynn R. Williams to Alice Lynd and Staughton Lynd, December 7, 1988, SA, s 2, c 8, f 119, OHS/YHCIL.

1989 collective bargaining as well as prepare for bargaining if LTV's bankruptcy reorganization was finalized.³⁴

Lynn Williams went on to inform Solidarity USA that the union was indeed working to help all retirees. He told members of Solidarity that prior to the BSIC the LTV negotiating committee was meeting on December 6-9 in order to establish policies for further contract negotiations with LTV. Even though the LTV negotiating committee was meeting, Williams again informed Solidarity that they could not have a representative attend; however, he reiterated that the negotiating committee was working on their behalf. He stated, "While they [the LTV negotiating committee] have many items on their agenda, virtually their first order of business is the formulation of an effective plan for obtaining full employee and retiree entitlements under our Employee Investment Plan." He went on to note, "We consider the problem to be of the utmost seriousness."³⁵ Williams ended his reply to Solidarity's request for a seat at the BSIC by adding insult to injury. Williams informed Solidarity USA that the USWA "...will continue to confine membership in these groups [USWA bargaining groups]—as we have since their inception in the 1960's—to the representatives of those who must give up their paychecks in the event of an impasse." Therefore, according to Williams, Solidarity should voice their concerns with their local SOAR chapter.³⁶

Williams' refusal to allow Solidarity USA a seat at the BSIC did not weaken Solidarity's resolve. The BSIC denial made Solidarity USA even more determined to

³⁴ Thomas Buell Jr., "USW to press for 'fair share' when steel talks open," *Pittsburgh Press*, December 4, 1988.

³⁵ Lynn R. Williams to Alice Lynd and Staughton Lynd, December 7, 1988.

³⁶ Lynn R. Williams to Alice Lynd and Staughton Lynd, December 7, 1988.

continue to voice its opinion and concerns and act in order to make the USWA hear its voice. In fact, members of Solidarity refused to accept Lynn Williams' decision about the BSIC, and instead, traveled to Washington D.C. during the December BSIC to make sure, even though they could not officially attend, that the USWA knew it was present. Instead of having representatives physically in attendance at the BSIC, Solidarity walked around the Capital Hilton hotel and passed out their collective bargaining demands to USWA members attending the conference.³⁷

Solidarity USA's never-ending persistence eventually began to pay off, if only in small quantities. Despite the fact that LTV took the \$2.26 billion special charge in November 1988, on December 22, 1988, the USWA began to broker a deal with LTV to pay profit shares to the active workers as well as reimburse in full retirees' 1988 basic medical premiums. LTV argued to the USWA that the only reason it was able to maintain profitability was due to the fact that Chapter 11 bankruptcy allowed it to not have to pay its numerous creditors, and if it was forced to pay all of its creditors it would not be profitable. The USWA argued that its members were unlike the rest of LTV's creditors and deserved preferential treatment due to the fact that in previous contracts USWA members voted to give up wages and benefits, and therefore should rightly receive their profit shares and premium reimbursements. Besides defending their argument on the grounds that USWA members and retirees were different from LTV's other creditors, the USWA also threatened to use its collective power against LTV. The USWA warned LTV about its insistence on taking the "special charge" and stated, "if the

³⁷ Solidarity Newsletter, no. 5, December 1988, SA, s 2, c 9, f 120, OHS/YHCIL, 1.

company did not reverse itself, ‘the full resources of the international union will be thrown into this fight.’”³⁸ By January 1989 LTV agreed to pay the profit shares to the active work force and to reimburse retirees their 1988 basic medical premiums.³⁹ Unfortunately, even in victory, retirees who constantly pushed the USWA to act on their behalf were not given the credit they deserved. Instead, the USWA took all of the glory and in the January 1989 edition of *Steelabor* credited the profit share victory to the union and noted without mention of retirees that “Vigorous union action has thwarted an attempt by LTV to avoid 1988 profit-sharing payments totaling about \$100 million.”⁴⁰

Another small victory for Solidarity USA came on January 4, 1989, when the USWA’s Wage Policy Committee (WPC) met in Pittsburgh, Pennsylvania, to establish collective bargaining goals for the year.⁴¹ At the WPC meeting, important retiree issues from Solidarity USA’s list of collective bargaining demands received attention from the WPC. The main demand adopted by the WPC was the abolition of the \$26.82 monthly premium for basic medical insurance. Other issues adopted by the WPC, to be bargained for in upcoming contract negotiations, were the payment of pensions to spouses of retirees who retired before 1974 as well as cost of living adjustments on pensions to help offset inflation.⁴² The WPC also stressed the importance of bargaining for better pension benefits for active workers and retirees, plus they acknowledged the need to strengthen

³⁸ “USWA binds LTV on profit-sharing,” *Steelabor* 54, no. 1, January 1989, 18.

³⁹ Earl Bohn, “USW settles dispute with LTV over profit sharing,” *Vindicator*, January 5, 1989; “USWA binds LTV on profit-sharing,” 18.

⁴⁰ “USWA binds LTV on profit-sharing,” 18.

⁴¹ “Wage Policy Committee sets Bargaining Goals,” *Steelabor* 54, no. 1, January 1989, 7.

⁴² Solidarity Newsletter, no. 9, April 1989, SA, s 2, c 8, f 116, OHS/YHCIL, 3.

health insurance benefits, especially in the face of rising healthcare costs.⁴³ Despite these modest victories, Solidarity USA members knew that their struggle with the union would continue. Indeed, the organization's tenacity did wear on USWA leadership and a few of its demands were adopted by the USWA; unfortunately, the fact remained that organizations such as Solidarity USA were still outcasts in the eyes of the USWA.

Throughout 1989 and into 1990, Solidarity continued its fight to achieve a voice within the USWA on matters that affected them; however, a new foe loomed on the horizon. This new foe came in the form of skyrocketing major medical premiums, which again greatly affected the financial resources of already struggling and dispossessed retirees. Ultimately, the USWA's reluctance to work with retiree organizations outside of their purview on old and new retiree issues led to a face-to-face confrontation between Solidarity USA and the USWA in Youngstown, Ohio and in Pittsburgh, Pennsylvania.

By November 1989, members of Solidarity USA had to confront the fact that their major medical healthcare premiums were going to increase by 63 percent beginning January 1990. Solidarity received the news about the proposed major medical premium increases after it was leaked from an unnamed union source to Solidarity USA's attorney Staughton Lynd on November 3, 1989. The news of the increase stirred up a hornets' nest of activity within Solidarity USA. The organization's steering committee immediately began to chart out a course of action to help combat Blue Cross & Blue Shield of Ohio's egregious injustice. The steering committee's plan called for direct action demonstrations at LTV Steel's Youngstown headquarters as well as a December 7,

⁴³ "Wage Policy Committee sets Bargaining Goals," 10.

1989 trip to the USWA's headquarters in Pittsburgh, Pennsylvania, to establish a picket line outside of the building. After the steering committee finalized its course of action, Solidarity held a press conference to help convey to the general public the absurdity of the premium increases as well as to announce the organization's plan to confront the injustice.⁴⁴

The proposed major medical premium increase came as a huge shock to so many struggling LTV retirees. When asked about the premium increase by the *Youngstown Vindicator*, Ed Mann, a former local union president, area activist and Solidarity USA member stated, "Some of these increases are way out of line...it tells me they want us to drop off this program. Some of our folks, healthwise, cannot afford to do that." He went on to comment, "it's a rip-off for the retirees."⁴⁵ Mann's comments were accurate considering a look at retiree medical premium increases since 1987. For instance, up to the point of the 1987 post-bankruptcy contract, a single retiree or spouse not eligible for Medicare paid a total of \$26.89 a month for basic and major medical insurance (basic was \$0.00 before the 1987 post-bankruptcy contract). By January 1990 a single retiree or spouse could expect to pay monthly medical premiums of \$97.48, which was an increase of \$70.59 a month over an approximately two year eight month time span. For a married couple not eligible for Medicare they went from paying \$52.66 a month for basic and major medical in 1987, to paying \$168.14 a month (\$26.82 for basic and \$141.32 for major medical) this was a jump of \$115.48 a month over a two year and eight month time

⁴⁴ Solidarity Newsletter, no. 16, October-November 1989, SA, s 2, c 8, f 109, OHS/YHCIL, 1.

⁴⁵ Neil Durbin, "Blue Cross' plan angers LTV retirees," *Vindicator*, November 7, 1989; for a succinct account of the life of Ed Mann see Lynd and Lynd, *The New Rank and File*, 95-110.

span. When the increases in medical premiums were coupled with the decreases in early retiree supplement payments it became strikingly apparent that LTV retirees, especially those who retired early and were not yet eligible for Medicare, faced significant struggles.⁴⁶ For these retirees, more and more of their already limited pensions were now being diverted to pay for their healthcare coverage.

The first of the two confrontations between Solidarity USA and the USWA came only a few days after Solidarity discovered that Blue Cross & Blue Shield was raising retirees' major medical premiums. As fate would have it on November 10, 1989, outspoken members of Solidarity USA, the previously mentioned Ed Mann and Solidarity USA President Jerry Morrison, confronted Lynn Williams at an election rally for USWA District 27 Director Joe Coyle at the Sam Camen's Center in Youngstown, Ohio, and asked him what the union was planning to do about the premium increases. Neil Durbin, a reporter for the Youngstown *Vindicator*, attended the event and in great detail captured the essence of the confrontation, which began when Williams entered the rally. Upon Williams' arrival, Solidarity USA members began asking him questions about the premiums. Durbin summarized the rest of the confrontation as follows:

Williams, who began shaking hands with Solidarity USA members, countered that the union is doing all it can to protect the interests of LTV retirees.

'Don't soft-soap us,' retiree Ed Mann of Hubbard said.

'You know we're working hard for you,' Williams said, as he continued walking his way around the table of rally goers.

Mann then charged Williams had ignored letters from Solidarity members.

'We're communicating with you constantly,' Williams responded.

Mann...said the union has 'abandoned' its retirees. 'We're the ones who built this union,' Mann said.

⁴⁶ Solidarity USA to Lynn R. Williams, November 7, 1989, SA, s 2, c 8, f 109, OHS/YHCIL.

‘There are no magic answers,’ Williams said.

He contended the real solution to the problem was universal national health insurance, for which the USW, other unions and their allies are lobbying Congress.

‘We’re doing all that we can, all the time. We’re going to try to bargain these things as best we can,’ he said, coming back around the table to address Mann face to face.

Solidarity president Jerry Morrison then joined the discussion, which had increased gradually in intensity as Williams moved around the long table.

‘I’m tired of talk,’ Morrison said. ‘Why don’t you do something?’

Mann, Morrison and the rest of the retirees soon walked out of the meeting.

‘Have a nice rally,’ Morrison snapped as the retirees left the hall.⁴⁷

When asked by Durbin about the incident Morrison stated “‘they don’t do anything for us.’” He also noted, “‘our unions have grown into big business...and when they grow like that, they forget the people that built them.’”⁴⁸ Ultimately, many Solidarity USA retirees felt that the union was not on their side and they were fed up with how the union was treating them.

Coming on the heels of this high-profile confrontation and before Solidarity’s scheduled December 7, 1989 trip to USWA headquarters, Solidarity USA updated their list of collective bargaining demands. They kept the previous set of demands and adopted additional demands, expanding the 1988 list to 20 demands. Demands 11 through 14 were derived from a contract settled between the USWA and Bethlehem Steel. These demands focused on extending the age before early retirees would see supplement reductions, a limit or “cap” on major medical premiums, having the company pay at least 50 percent of a retiree’s major medical premiums, an extension of benefits to include coverage for hearing related care and hearing aids, and finally, extending the

⁴⁷ Neil Durbin, “Solidarity USA assails USW head on premiums,” *Vindicator*, November 11, 1989; Solidarity Newsletter, no. 17, December 1989-January 1990, SA, s 2, c 8, f 108, OHS/YHCIL, 2.

⁴⁸ Durbin, “Solidarity USA assails USW head on premiums.”

lifetime maximum cap on major medical insurance over the current \$50,000.⁴⁹ Demands 15 through 20 were geared toward redressing many of the health insurance inefficiencies and denials of services faced by LTV retirees. For instance demand 15 looked to ensure that medical tests, such as “x-rays” and “laboratory procedures,” were paid for 100 percent no matter where a retiree had the procedure done—either at a hospital or a doctor’s office. Demand 16 looked to shore up “coverage for all medically-necessary procedures.” 17 and 18 focused on ensuring reimbursement of the basic medical premiums paid throughout 1989 as well as the establishment of local area medical claims and customer service centers. Finally, the last 2 demands, 19 and 20, addressed the need for establishing more stringent standards for guiding LTV’s rationale behind choosing a health insurance provider.⁵⁰ With one high profile confrontation under its belt and with an updated list of collective bargaining demands in hand, Solidarity USA was ready to board the busses headed for USWA headquarters in Pittsburgh, PA.

The trip to the USWA headquarters on December 7, 1989, began at the Southern Park Mall in Boardman, Ohio. Over the fall of 1986 and the winter of 1987, the Southern Park Mall was the staging point for Solidarity demonstrations in New York, New York, Cleveland, Ohio, Pittsburgh, Pennsylvania and Washington D.C., and on this cold December morning it would again become the rallying point for retirees. Retirees arrived to the staging point with the mindset of staying in Pittsburgh long enough to get the job done. Just prior to the scheduled trip the tone of the demonstration was set in Solidarity USA’s October-November newsletter, which stated to all retirees participating to,

⁴⁹ Solidarity Newsletter, no. 17, 3-4.

⁵⁰ Solidarity Newsletter, no. 17, 4.

“BRING YOUR LUNCH BECAUSE WE INTEND TO STAY AT 5 GATEWAY CENTER UNTIL SOMEBODY IN A POSITION OF RESPONSIBILITY TALKS WITH US!”⁵¹

In this frame of mind Solidarity USA members, as well as retirees from local 1375 in Warren, Ohio and Canton, Ohio’s RAGE, boarded their busses at approximately 8 a.m. From the Southern Park Mall the collective of busses convoyed to Pittsburgh in order to meet with union officials and establish a picket line outside of USWA headquarters.⁵² The idea to meet with union officials and simultaneously demonstrate outside of USWA headquarters was forged after the USWA was informed of Solidarity’s planned December 7th trip. Jim Smith, an assistant to Lynn Williams, contacted Solidarity USA’s Ed Mann in order to arrange a low profile meeting between USWA officials and Solidarity USA leadership, located away from USWA headquarters at the Hilton Hotel in Pittsburgh. Leaders of Solidarity felt that this was an attempt by the union to prevent a high profile incident, so they decided to picket the USWA headquarters anyway. Solidarity mentioned their reasoning behind this decision in the December 1989-January 1990 organizational newsletter which stated:

...Solidarity did not want to disappear behind the potted palms at the Hilton. We felt that we had written letters to USWA representatives Anthony Rainaldi, Joe Coyle, and Lynn Williams for over a year, without getting an answer. Just because we were finally getting an opportunity to meet with USWA representatives didn’t mean that we should call off our picketing.⁵³

⁵¹ Solidarity Newsletter, no. 16, 1.

⁵² Solidarity Newsletter, no. 17, 4.

⁵³ Solidarity Newsletter, no. 17, 4.

The busses arrived at USWA headquarters at approximately 9:30 a.m. The mass of LTV Steel retirees proceeded to disembark. One group of retiree leadership, made up of members from Solidarity USA, local 1375 retirees and RAGE, proceeded to the scheduled meeting with USWA officials Jim Smith and Ray McDonald at the Pittsburgh Hilton Hotel. The larger body of retirees maintained their position in front of USWA headquarters and established their picket line.⁵⁴ John Landgraver, an active member of Solidarity USA, noted that the pickets faced "...a cold windy day about 20 degrees."⁵⁵ Landgraver went on to mention the reason he and other retirees were picketing that day. He observed,

Pittsburgh is a very impressive city when you are right in it. You can just see the power there. You can see the open hearths, the hot strip mills, the blooming mills—not right in the city but in your mind. It made you think why we were there, who we were fighting for: not just a few old steelworkers like us, but our sons and daughters, our grandchildren, and this country USA, because they and we are this country.⁵⁶

Retirees with similar beliefs and aspirations as Landgraver established a robust demonstration beginning at 9:30 a.m. and lasting till noon. There were retirees ringing bells and holding up banners denoting their particular organization. There were others such as Solidarity USA member Jim Deiwert who brandished a sign that stated in bold black letters "**SUPPORT THE FIGHT FOR PENSION RIGHTS**" as well as retirees who sang songs of solidarity reminiscent of the old International Workers of the World (IWW). During the picketing, a local newspaper delivery man, delivering newspapers to the USWA headquarters, refused to cross the retiree's picket line out of respect, and

⁵⁴ Solidarity Newsletter, no. 17, 4.

⁵⁵ Solidarity Newsletter, no. 17, 6.

⁵⁶ Solidarity Newsletter, no. 17, 6.

instead, continued on to his next delivery.⁵⁷ Ultimately, Solidarity USA and the other retiree organizations came to Pittsburgh in order to make a definitive statement. They wanted the USWA as well as the public to understand that retirees were suffering, and that they were going to do whatever it took to make that point clear. The retiree picket line outside of USWA headquarters on December 7, 1989 was able to physically manifest the unwavering spirit and unity of LTV Steel retirees, a group of people who should have been spending their “Golden Years” with their friends and family and not walking a picket line in 20 degree weather. However, those walking the picket line were only one half of the story. The second half of the story revolved around the selected group of retirees who, during the picketing, were meeting with USWA leaders Jim Smith and Ray McDonald.

The select meeting at the Hilton carried on while the main body of retirees continued to picket outside USWA Headquarters. Issues raised by designated retiree leadership included the absurdity of the proposed hike in major medical premiums—which by the time of this meeting had been temporarily postponed due to strong retiree pressure—as well as issues concerning pension supplements. Other issues brought up were the request to fight for reinstating major medical coverage for retirees who dropped their coverage because they could no longer afford it as well as retirees concerned over the lifetime major medical cap of \$50,000.⁵⁸ As stated in Alice and Staughton Lynd’s account of the meeting in *We Are All We’ve Got*, Ed Mann again reiterated to the USWA Solidarity USA’s desire for a voice within the union. He stated:

⁵⁷ Solidarity Newsletter, no. 17, 1,4.

⁵⁸ Solidarity Newsletter, no. 17, 1, 5.

We want input in negotiations and not just as advisors. [If we participate and] it's a bad deal, we can't put [the blame] on you. We want a piece of the action—not to be told, 'This is the best we can do for you.' We don't want to solve our problems one by one with LTV. We want to solve them as a union for everyone...

There are people in the union that want us to be adversaries. We support young workers. We want to help organize. But when we hear that [active workers won't take any more hits] for retirees, they're splitting us apart.⁵⁹

Mann continued on to convey Solidarity's major grievance to the union leaders. He informed USWA leadership "We want to be on a negotiating committee for retirees, not on an advisory committee....There is no one here who is not for the union. If the union goes down, we're dead. We want the right to ratify."⁶⁰

Ed Mann's words were passionate and heartfelt. Mann, who was once a leader of active USWA workers at local 1462 of the Youngstown Sheet & Tube's Brier Hill Works, understood whole-heartedly that retirees did not want to take away from the active worker's ability to secure better wages and working conditions, especially during the tough financial and economic circumstances both workers and the U.S. steel industry faced in the 1980s. However, Mann also realized that retirees, even though no longer active workers, deserved to be heard on an equal level with active workers and that in the end, if active and retired workers were made into antagonistic forces, solidarity and collectivity would be destroyed. Mann, as well as other retirees, understood that active workers, looking only to secure their present situation, would eventually become retirees themselves, and quite possibly be subjected to the same circumstances Mann and thousands of other LTV retirees were currently facing. Ultimately, Solidarity USA's

⁵⁹ Lynd and Lynd, *We Are All We've Got*, '94.

⁶⁰ Lynd and Lynd, *We Are All We've Got*, '94.

meeting with USWA officials and subsequent demonstration won a few victories such as the USWA's commitment to collectively bargain for 100 percent payment of retirees' major medical premiums as well as promising to invite retirees to be part of a retiree "advisory committee."⁶¹

Upon completion of the December 7, 1989 direct action campaign against the USWA, Solidarity at least walked away from the event with an understanding that the union would contact them to be on an "advisory committee" for the upcoming contract. This assurance given by Jim Smith proved to be misleading. According to the USWA, Solidarity USA leadership would be contacted to take part in the advisory committee; however, this contact was never made. Instead, Solidarity once again had to initiate contact with the union and inquire as to when it could expect to attend an advisory committee session. The union replied to Solidarity USA, and instead of providing the organization with a date and time for the advisory board, they modified their December 7th pledge. The USWA informed Solidarity that they could only attend a "sounding board" session, which was not affiliated with the collective bargaining process. Solidarity understood the true nature of the USWA's modified proposal. The sounding board session, rather than being a productive forum for retirees to obtain a voice in the collective bargaining process, became instead, according to Solidarity USA, a place for retirees to "...let off steam."⁶²

⁶¹ Solidarity Newsletter, no. 17, 5.

⁶² Solidarity Newsletter, no. 18, February 1990, SA, s 2, c 8, f 107, OHS/YHCIL, 3.

Even though the promises made by the USWA were modified, representatives of Solidarity USA did attend the sounding board session; however, to their dismay, the USWA limited information and cooperation. USWA representatives at the session were not forthcoming in response to many of Solidarity's questions and concerns. For example, retirees requested copies of the union's proposed collective bargaining demands, but they refused to divulge that information. Retirees were also concerned with the USWA's lack of concern over a recent discovery that LTV was planning executive compensation increases. Finally, retirees raised concerns over the fact that a minority of active workers, approximately 12,000, would be voting on the upcoming contract that impacted approximately 46,000 retirees who had no input or say in the contract.⁶³ This last grievance was the most disconcerting for retirees. Retirees had a lot at stake in the contract but had no voice in the process and their attempt to interject their voice into the contract began to create an animosity between active workers and retirees. Solidarity USA attorney Staughton Lynd commented on this problem and noted, "We believe that it is wrong for retirees to be completely excluded from the bargaining process, and for 12-14,000 active workers to be the only persons who vote on contracts that also affect 46-48,000 hourly retirees."⁶⁴ Even though Solidarity recognized and argued against the minority voting in matters that affected the majority, they consistently stressed the fact

⁶³ Solidarity Newsletter, no. 18, 3-4.

⁶⁴ Staughton Lynd to LTV Retirees and Retiree organization's Cooperating Attorneys, March 21, 1990, SA, s 2, c 8, f 105, OHS/YHCIL.

that they were for active workers getting all they could in the contract; retirees just wanted a say in the matters that impacted them.⁶⁵

By late January and into February 1990, the USWA and LTV began negotiations without Solidarity USA at the table. Knowing that the union was not friendly to its cause, Solidarity USA sent its attorneys to New York City Bankruptcy Court as a last resort for finding a voice in the new contract. The Lynds traveled numerous times to Judge Burton Lifland's court room to argue on behalf of Solidarity in matters of the proposed executive compensation increases as well as Solidarity's lack of a voice in the contract.⁶⁶ Staughton Lynd argued to Judge Lifland that retirees should be polled on whether or not to accept or reject the new contract. Unfortunately for retirees, Judge Lifland was not swayed and he did not order a poll.⁶⁷ The judge's decision once again denied Solidarity the justice it so desperately sought.

⁶⁵ Solidarity Newsletter, no. 20, April 1990, SA, s 2, c 8, f 105, OHS/YHCIL, 3.

⁶⁶ Staughton Lynd to LTV Retirees and Retiree organization's Cooperating Attorneys, March 21, 1990, SA, s 2, c 8, f 105, OHS/YHCIL.

⁶⁷ Solidarity Newsletter, no. 19, March 1990, SA, s 2, c 8, f 106, OHS/YHCIL, 1.

Conclusion

By April 1990 the new LTV/USWA contract was approved by a rank-and-file vote of 10,062 for and 1,131 against. Even though retirees lacked official input into the collective bargaining process as well as the ability to vote on the contract, their persistent agitation of the union to adopt contractual language beneficial to retirees did pay off in two important areas. First, the 1990 contract eliminated the \$26.82 monthly premium for basic medical. Retirees, whether they were affiliated with SOAR or an outside retiree organization such as Solidarity USA, no longer had to worry about a yearly fight over basic medical premium reimbursements. Secondly, the new contract put an end to Blue Cross & Blue Shield of Ohio's attempt to exorbitantly raise major medical premiums.¹

Even though Solidarity USA gained in two important areas of the contract they also lost. They lost when it came to the lopsided distribution of funds and benefits bargained for active workers as compared to retirees. Retirees associated with Solidarity USA were not at all happy with the stark imbalance. For instance, the 1990 contract laid aside approximately \$400 million in benefits for both active and retired workers. Retirees were allocated \$126 million spread over approximately 46,000 retirees, whereas active workers were allocated \$274 million spread over approximately 13,800 active employees. This came to \$2,739 dollars in benefits for each retiree whereas active workers stood to receive \$19,855 dollars in benefits during the contract period.² Solidarity USA was also upset with the fact that the USWA bargained for hospice

¹ "Accord reached with LTV Steel," *Steelabor* 55, no. 1, January-February 1990, 16.

² Solidarity Newsletter, no. 20, 3.

benefits for its active members rather than its retirees, and that active members received major medical lifetime cap increases whereas retirees maintained their \$50,000 lifetime limit. These two benefits, in a rational world, should have been reversed according to Solidarity USA. Retirees were the ones, who due to their age, needed higher caps on major medical insurance as well as hospice care.³

The abolition of the \$26.82 monthly basic medical premium and the halting of the proposed major medical premium increases were bittersweet victories for Solidarity USA. Even though its members had benefited, the organization still continued to lack a legitimate voice within the union. Members of Solidarity USA still faced a clear inequity in benefit payments, and they received no acknowledgement in helping to shape USWA policy.

The July 17, 1986 Chapter 11 bankruptcy of the Ling Temco Vought (LTV) Corporation had a devastating impact on the lives of LTV Steel retirees. The bankruptcy had serious ramifications on not only retirees' well being but also on their position, interaction and treatment in relation to entrenched and powerful American institutions. This reality was distinctly highlighted in the relationship between The United Steelworkers of America and LTV Steel retirees affiliated with organizations that were outside of USWA control. During prosperous decades when LTV retirees were active workers, the USWA was their vehicle for helping them win better wages, benefits and working conditions. However, the strong relationship that the USWA had with its active workforce was not extended to its retirees. Retirees, according to USWA official policy,

³ Solidarity Newsletter, no. 19, 2.

had no voice within the union. They were no longer dues paying members and, therefore, were not accorded the same rights as active USWA workers. Retirees before the LTV bankruptcy believed that their retirements were secure due in great part to the strong contracts negotiated by the USWA in the past; contracts that saw workers win promises for pension and healthcare benefits. These benefits, once thought to be guaranteed, were legally stripped away from retirees via the bankruptcy process and the federal government. These events opened retirees' eyes to the disconcerting reality that nothing in America was guaranteed, especially in an era of expanding global markets and large reservoirs of transnational capital.

Once the realities of the LTV bankruptcy became apparent, retirees looked to the USWA for help; however, if retirees were not in lockstep with the USWA's agenda, and with their sponsored retiree organization, SOAR, then retirees were left to fend for themselves. The retirees associated with Solidarity USA rose up to the challenge and they made their voices heard. Ultimately, Solidarity's unwavering persistence in the face of overwhelming adversity as well as their insistence on direct action enabled their voice to penetrate and reverberate within the halls of the USWA. Solidarity's persistence made a difference for the lives of their members and even the lives of retirees not associated with the organization. The ultimate question that one needs to pose is: would the gains achieved by retirees have been as successful if Solidarity USA acquiesced to the USWA? This question might never be fully answered; however, without Solidarity USA's deliberate, determined and persistent pressure on the USWA the likelihood that retirees would have recouped the majority of what they lost is minimal.

By the early part of 1990 Solidarity USA achieved many small victories. The organization had pressured the USWA into bargaining away the \$26.82 basic medical premium established in the first post-bankruptcy collective bargaining session between LTV and the USWA. It had also halted the proposed major medical premium increases scheduled to take effect in January 1990. Finally, by the summer of 1990, the Supreme Court had ruled that the PBGC could return LTV's pension plan back to LTV forcing them to once again pay retiree pension payments in full. These victories coming almost four years from LTV's Chapter 11 bankruptcy did not mark the end of Solidarity USA. In fact the LTV Steel retiree fight was only one of many fights Solidarity USA engaged in to help struggling retirees in the 1980s and into the 1990s. The organization went on to help retirees hurt by defunct corporations such as Wean United, General Fireproofing and Copperweld Steel. Additionally, Solidarity USA went out of its way to support local area active workers struggling to maintain their jobs, wages and safe working conditions.

Solidarity USA had to travel a long and arduous road in order to secure its members healthcare and pension benefits. The impetus of its journey was formed in the 1960s, with the profit making machinations of men such as James J. Ling. Ling's insatiable thirst for corporate acquisitions of disparate companies paved the way for the conglomerate known as LTV to acquire massive amounts of burdensome debt as well as large private-welfare obligations stemming from acquisitions of the Jones & Laughlin Steel Corporation, the Lykes-Youngstown Steel Corporation and the Republic Steel Corporation. LTV's debt burden and large and unwieldy private-welfare obligations sunk the corporate titan in the struggling industrial economy of the 1980s.

LTV's ultimate Chapter 11 bankruptcy filing in July 1986 and subsequent cancelation of LTV Steel retirees' medical benefits ignited a firestorm of retiree unrest. One woman, Delores Hrycyk, understood the ramifications of LTV's bankruptcy and immediately mobilized dispossessed retirees. Numerous retirees, seeing that both the USWA and local, state and federal legislators had no immediate answers to their problems began to gravitate away from institutional solutions, and instead, rallied around Hrycyk's self-help philosophy. Hrycyk helped to form the organization known as Solidarity USA, a democratically run organization designed to use non-violent direct action to influence institutional leaders to make pro-retiree decisions. Solidarity USA, as seen through the organizations initial petition drive to Judge Burton Lifland's New York City Bankruptcy court room as well as demonstrations in Cleveland, Pittsburgh and Washington D.C., used direct action to make their voices heard with in the halls of government and corporate America. Unfortunately for members of Solidarity USA, intransigence toward groups not directly under the control of the USWA, for example SOAR, forced retirees to take a stand against the USWA in order to make the union hear their voice and collectively bargain back much of what was lost from LTV's bankruptcy.

For numerous years throughout the post-World War II era, industrial workers and eventually industrial retirees associated with industries such as steel placed their fate in the hands of American institutions. Industrial workers in the immediate aftermath of World War II saw industrial unions win strong wages and benefits for their constituents. The strength of unions such as the USWA in the post-war era and the process of collective bargaining helped to diminish the grass roots rank-and-file activity seen in the

early period of union organizing. As long as entrenched leaders within the union were winning strong wages and benefits their constituents were appeased, and, as highlighted by Delores Hrycyk, their “bellies were full.”

In the post-war era America’s industrial supremacy diminished due in large part to a rise in conglomerates, global competition and a new national emphasis on the service and technology sectors. These trends led to a wholesale destruction of once thriving and profitable industrial communities such as Youngstown, Ohio, causing great strain and hardship to Youngstown’s citizens. The industrial failures of the late 1970s and early 1980s led to a transition period for the steel industry in Youngstown as the Ling Temco Vought conglomerate purchased many of the companies associated with Youngstown’s former steel making past. Unable to restructure and rebuild their steel concerns back into profitable entities, LTV, laden with massive debt and adorned with the vestigial costs associated with “private-welfare” benefits , was forced to file for Chapter 11 bankruptcy on July 17, 1986. Retirees, who believed their pension and healthcare benefits were inviolable, were awakened to the cruel and harsh reality that their security blanket could be ripped out from under them. Once retirees realized that their benefits were not guaranteed, and that their secure and stable futures were in jeopardy, they immediately turned to the institutions that had for so long supported them.

Unfortunately for many LTV Steel retirees, institutions such as the USWA, the Federal government and the US Judicial system had no immediate answers to solve their problem. A few retirees and family members of retirees realized that relying on institutions to come to their rescue was a futile endeavor. In order for retirees to

influence favorable institutional decisions and outcomes, retirees needed to become a persistent and direct presence in the lives of institutional leaders. Predicated on Delores Hrycyk's philosophy that retirees needed to help themselves, Solidarity USA formed to meet the needs of retirees struggling to maintain their benefits. Unlike the USWA and its retiree arm known as SOAR, Solidarity USA truly had the interests of its constituency at hand. Solidarity adhered to its ideas of self-help and democracy. It relied on the use of non-violent direct action and demonstration in order to interject the voice of its members into the lives of the institutional leaders who held the reins of power. In the end, Solidarity USA's actions in the months and years after LTV's Chapter 11 bankruptcy helped to win back much of what retirees had earned laboring in the mills in years after World War II. Thus, retirees associated with Solidarity USA were able to establish their own agency, and penetrate the thick and menacing walls of institutional hegemony.

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