The Pittsburgh-Cleveland Waterway

Growth plan could revive a crucial industrial belt

by Laurence Hecht

The Upper Ohio Valley from Pittsburgh to Youngstown, Ohio, once the world leader in steel production, and still one of the greatest concentrations of skilled industrial labor in the world, is in a fight for survival. Long allowed to decay by corporations such as U.S. Steel more interested in speculative investments than steel-making, the region's industrial capability is now targeted for complete destruction by the advocates of deindustrialization and global population reduction.

But a recently formed coalition of labor and business interests has taken the offensive to turn all this around.

At a press conference last month, the Pittsburgh to Cleveland Committee announced that bills had been introduced before houses of both the Pennsylvania and Ohio legislatures calling for construction of a barge canal that would permit direct water transport from Lake Erie to Pittsburgh, and tie the Upper Ohio Valley steel towns into the great Ohio-Mississippi river system. The waterway plan has received the full backing of the National Democratic Policy Committee.

The proposal is not a new one, but because it was not carried out earlier, say its sponsors, the region's steel mills have fallen into decay, and many, particularly in Ohio, have shut down forever. "We warned people 30 years ago that we had to do this, or the valley couldn't compete in world markets," charged John McCarrell, retired president of United Autoworkers Local 544 in Pittsburgh who chairs the committee.

Sam Neff, a former state legislator from Beaver County, Pennsylvania who is on the group's steering committee was in the battle for a similar canal in 1947. The state of Ohio passed the enabling legislation, Neff recalls, but Pennsylvania rejected it. "R. K. Mellon and the Pennsylvania Railroad were against it," Neff says, "and they pulled many of the other Pittsburgh steel interests in with them. They didn't realize that in the long run the whole upper Ohio Valley was in the same boat, because they needed the transportation. We may have lost the steel industry here as a result," Neff says. Neff believes the West Virginia and rn Pennsylvania coal interests are a new force that can be pulled behind the fight for the canal, and may be able to win the battle that Pittsburgh steel interests have previously sabotaged.

The bills before the Pennsylvania legislature (H.B. 308, S.B. 436) and the Ohio assembly (H.B. 553) call for establishing an interstate waterway authority that would manage the local aspects of the project in a way similar to the Tennessee-Tombigbee project. It would be funded federally except for local damages—shifting of bridges and highways, etc.—and carried out by the Army Corps of Engineers.

The route and dimensions of the new waterway would be similar to that proposed in a 1965 Army Corps of Engineers study prompted by earlier efforts of the region's business, labor, and industrial leaders.

At that time the Upper Ohio Valley (stretching from Pittsburgh northwest to Youngstown,Ohio) had already lost its position as the nation's leading steel-producing region, and it was getting worse. The waterway would have cheapened the cost of raw-materials delivery—the principal component of the cost of producing iron—and allowed the Upper Ohio Valley to again become a highly efficient steel-producing area.

The waterway would also create a new North-South continental route—from Lake Erie clear through the Ohio-Mississippi river system to the Gulf Coast. Only 10 miles of excavation between the Grand River in northern Ohio, and the Beaver-Mahoning which flows south to the Ohio stood in the way (see Divide Cut on map).

By a series of 10 dams and locks on the two rivers, and construction of a 29-mile breakwater on Lake Erie, the Army Corps of Engineers plan would have created a direct barge channel from Cleveland to New Orleans. The potential benefit to the entire Lake Erie coast from Buffalo to Detroit was inestimable.

The waterway would not only mean that Lake Superior ores could find their way into the Pittsburgh-Youngstown steel belt more cheaply. It would also provide an outlet for Appalachian coal via the waterway into Lake Erie and on to the markets of Europe by way of the St. Lawrence Seaway. Local benefits were also to be gained in terms of improved flood control and irrigation, better water quality, pumped-storage power generation, and the creation of a 33-mile long reservoir open for recreational use.

The Corps of Engineers' 1965 study projected a cost of $100 million a year for 10 years to complete the project. Though authorization passed the Ohio state legislature it was turned down by the Commonwealth of Pennsylvania under Gov. William Scranton.

Rebuilding steel

The nation's entire steel industry is now suffering the effects of the Volcker depression. But where some steel plants are cutting back, those in the Upper Ohio

Valley are shutting down entirely. This region where Andrew Carnegie gave American steel-making its start, is now the largest concentration of outdated and inefficient plants in the world. There are plants here that date back to World War I, and many others of World War II vintage. Many steel-makers have made the decision to let their plants here die a natural death. What expansion they have carried out has been elsewhere, usually on seaboard locations.

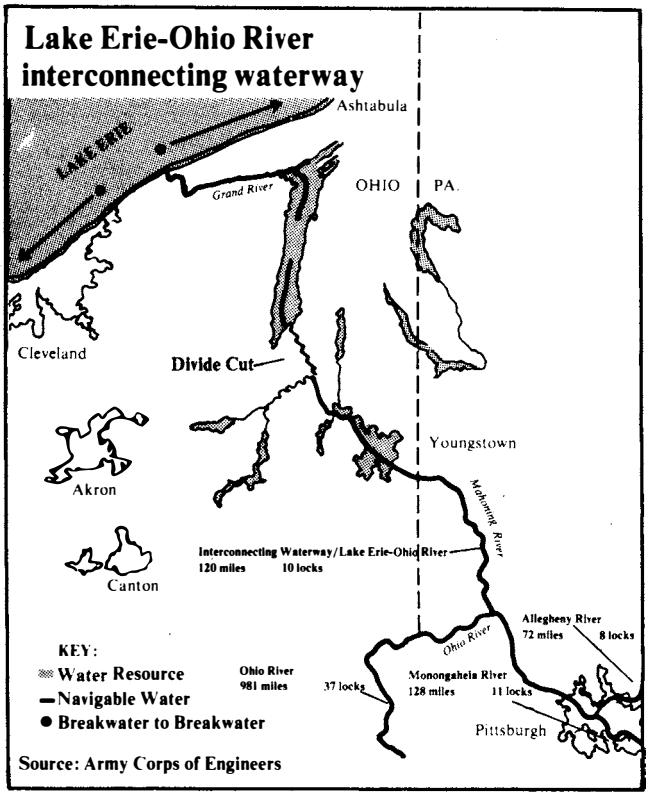
But if America is to have energy, housing, jobs, and the standard of living it once enjoyed, we will need steel. The Upper Ohio Valley region still contains a concentration of skilled workers and the industrial infrastructure needed for steel-making. It is also strategically located near to important markets for steel products. Ohio, for example, is a leading producer of machine tools, electrical equipment, automobiles, and heavy machinery, all products that will be in demand in an industrial recovery, and all require a high steel component.

In the short term, easing of EPA emission standards and stepped-up demand could aid a minor recovery in the region. But the lack of the interconnecting waterway will prevent any longer-term growth, and ultimately doom the entire integrated raw materials/industrial belt stretching from Western Pennsylvania into Ohio, Kentucky, and West Virginia to stagnation. Workers will either move elsewhere, or adjust to "permanent unemployment" and lowered living standards as the proponents of the Volcker depression advocate.

In 1965, steel production in the Pittsburgh-Youngstown zone was already declining from a 1950 high of 37 percent of the nation's ingot production to 28.6 percent. Projections showed it falling steadily to below 25 percent by 1975. The problem was twofold. First, the landlocked Pittsburgh-Youngstown region has inadequate access to the rapidly growing new markets outside the traditional Midwest industrial belt it serviced. Second, new technologies in steel manufacture were increasing the amount of new iron (as opposed to scrap) required per ton of steel. Most of the cost of pig iron consists of transporting the basic raw material—iron ore, coal, and fluxing stone—to the mill. In 1964, already 2.74 tons of these materials were needed for every ton of new iron produced, and the figure was going up.

The solution was obvious to the local boosters: build the waterway. Most of the cost of transporting the Lake Superior iron ore was incurred in the last 135 miles of its 1,000 mile journey to the Pittsburgh steel plants.

From Duluth, Minnesota to Ashtabula, Ohio on the Lake Erie shore, 882 miles, the ore is carried by laker at low cost. But at Ashtabula it must be unloaded into railroad cars for the trip inland. The trip from ore boat at Ashtabula to the Pittsburgh furnaces, though only 13



percent of the distance, represented 60 percent of the cost. The interconnecting waterway would cut the cost of that last leg by more than half, and lay the basis for the Upper Ohio Valley to become competitive again as a steel-producing region.

But the waterway's best boosters did not necessarily include the steel companies that had their start there. Some, like U.S. Steel, for example, were already beginning the "diversification" that by this point has them looking for growth in almost every area but steel.

They were later aided by such "postindustrial society" promoters as the Academy for Contemporary Problems which set up headquarters in 1972 in Columbus, Ohio, using the estate of Armco Steel magnate George Battelle to study ways to sell permanent unemployment to the region's producers.

The region soon became a magnet for kooky, left-wing outfits deployed to sell the new lifestyle of lower living standards. A succession of left front groups associated with New Leftist Staughton Lynd targeted the area for this treatment in the early 1970s. Then in 1977, Gar Alperovitz of the Exploratory Project for Economic Alternatives set up shop in Youngstown, at the height of its steel crisis, attempting to sell the community on a scheme to "buy back" the recently closed Campbell steel works.

The entire game would not have been possible but for the defeat of the Interconnecting Waterway in 1965. The region now has a second chance.