

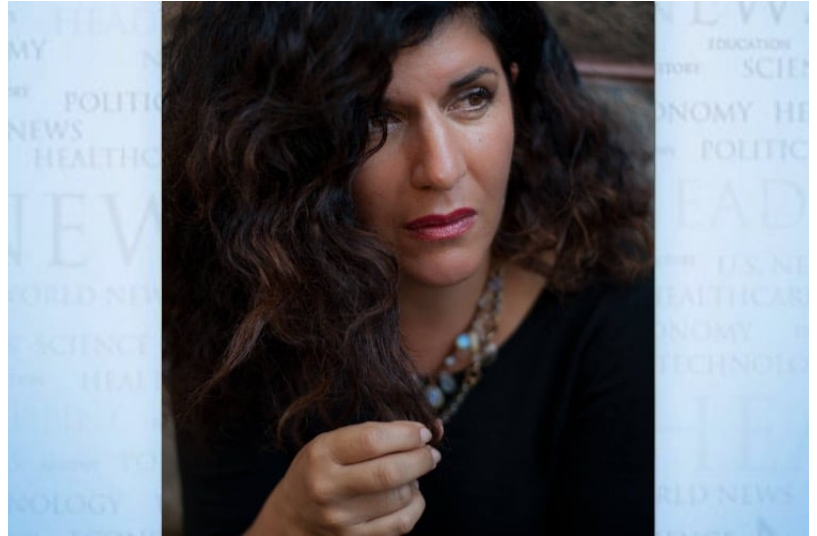


Written by [Salena Zito](#) on April 16, 2024

The Politics of Steel Are Center Stage in Pennsylvania

BUTLER, Pennsylvania — On Friday, just hours before United States Steel shareholders approved the sale of the legendary Pittsburgh-based company to Japan's Nippon Steel, Cleveland-Cliffs CEO Lourenco Goncalves stood in front of a packed room of steelworkers at his Butler Works plant and let them know just what he thought of the pending vote.

He also let them know what he thought of shareholders controlling the fate not just of the workers but also the community and, in a larger sense, the country — shareholders who he said had lost any emotional stake they may have once had in all three.



Salena Zito

He threw his first salvo at U.S. Steel CEO Dave Burritt, who rejected Cleveland-Cliffs' proposed \$7.3 billion buyout in July, a deal that would have made the combined assets one of the biggest steelmakers in the world and one of the top steelmakers outside of China, which remains the giant in the global steel market.

"Thanks to the stupidity of Dave Burritt and the board of U.S. Steel and the people that say, 'Oh, the headquarters will be in Pittsburgh.' Well, that's B.S.," he said.

"The CEO works out of Peoria, Illinois. The CFO works out of Connecticut. The general council works out of Florida. There's nobody in that building. Everybody works from home. After we take over, we're going to have more people in that building than they have now," he claimed.

His sentiments, while expressed more colorfully than others, are not alone. The United Steelworkers, President Joe Biden and former President Donald Trump oppose it, as do local members of Congress and all of their opponents.

In fact, there appear to be only two sets of very specific people who approve of the \$14.1 billion deal: the shareholders of U.S. Steel and Nippon Steel.

After the shareholder vote, Burritt said the transaction "truly represents the best path forward" for the union and non-union employees, customers, communities and stockholders.

Burritt said under Nippon ownership, the Japanese company "will maintain the U.S. Steel name and Pittsburgh headquarters."

The United Steelworkers union issued a statement on the vote: "We are not surprised by stockholders electing to cash in and sell out the iconic American company's employees and retirees, along with the communities where we live and work."

"Wall Street investors and U.S. Steel executives obviously stand to gain the most from Nippon ... while leaving union members in the cold," it continued.

The union said the sale isn't just up to shareholders and executives — and it isn't wrong. It needs



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approval from the Committee on Foreign Investment in the United States, a Biden administration committee that includes several members of his Cabinet.

It also needs approval from the Justice Department.

“This thing of ‘shareholders are king’ or that you work for the shareholders, you guys know me, I do not work for the shareholders. Write that down. I do not work for the shareholders. I only work for people like me that have the long-term commitment with the company,” said Goncalves, who was speaking to about 100 UAW Local 3303 steelworkers who produce the grain-oriented steel here that is critical for the production of transformers in the country’s electrical grid.

“Until it’s closed, it’s not a deal. It’s just a pie in the sky,” said Goncalves, whose Cleveland-based company has the backing of the union.

“They messed with the wrong people,” he continued. “They messed with Lourenco Goncalves, and they messed with the union,” he said of the United Steelworkers’ wishes.

The charismatic CEO, who is well known for his strong ties with the unions that work at his different plants, said it is the unions that make the plants run and, in turn, are the best representation of what is best for the company.

“The USW are the people that make the company go and the only ones that make the company be something that will be here for this generation, the next generation, the generation after next,” he said.

“That’s the strength of our relationship. That’s how this country became the United States of America, the envy of the world. And that’s what we need to bring back... This is a very important moment in the history of manufacturing in the United States,” he said.

Cleveland-Cliffs operates 21 steelmaking plants and one tubular works. It had operated a tinplate production plant in nearby Weirton, West Virginia, which began the process of shutting down this month, costing over 900 workers their jobs.

Goncalves said they were forced to close that plant because of the International Trade Commission’s decision not to implement anti-dumping and countervailing duties on tin mill products that are imported from Canada, China, Germany and South Korea.

Goncalves said in what was their final effort to maintain production here in America that they were forced to operate on an uneven playing field “and that the deck was stacked in favor of the importers.”

In a recent interview with the Washington Examiner, Sen. Bob Casey, D-Pa., a Scranton Democrat up for reelection against Republican businessman Dave McCormick, said he opposed the sale to Nippon Steel on several different levels. “My leading concern on U.S. Steel and Nippon is where will the Mon Valley jobs, steelworker jobs go? U.S. Steel has had plans for a good while, and I haven’t heard the response that I need to hear from Nippon on that they’re not going to let that happen,” he said.

Casey said his other long-term concern was national security: “I realize it’s Japan, not China, and we’d be having a whole different conversation if it were China.”

Last week, when Japanese Prime Minister Fumio Kishida visited the White House, he and Biden tap danced around reporters’ questions about the deal, with Kishida saying he hopes the discussion regarding the sale “will unfold in a direction that will be positive for both sides.”

“I stand by my commitment to American workers,” Biden said. “I’m a man of my word. I’m going to keep it. And with regard to that, I stand by our commitment to our alliance. This is exactly what we’re



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doing — a strong alliance as well.”

Despite the shareholders’ overwhelming support of the sale, the politics and the optics of a company that symbolizes America’s work ethic and grit are likely to have an oversized impact on this sale not happening anytime soon.

Salena Zito is a CNN political analyst, and a staff reporter and columnist for the Washington Examiner. She reaches the Everyman and Everywoman through shoe-leather journalism, traveling from Main Street to the beltway and all places in between. To find out more about Salena and read her past columns, please visit the Creators Syndicate webpage at www.creators.com.

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