

# The deindustrialization of Baltimore

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It has been more than a month since Freddie Gray was killed in the custody of the Baltimore Police Department. The 25-year-old man's death set off a wave of protests and isolated rioting as residents voiced their anger against police brutality and the impoverished conditions that especially deny young people any decent prospects for a future.

The reaction of federal, state and local officials was to declare a state of emergency and unleash a military occupation of the city. Maryland's Republican governor Larry Hogan ordered up to 5,000 National Guardsmen and additional law enforcement personnel to patrol the streets with armored vehicles used in Afghanistan and Iraq, and Baltimore's Democratic Mayor Stephanie Rawlings-Blake imposed a curfew. Hundreds were arrested and held under barbaric and illegal conditions as any semblance of democratic forms were essentially suspended.

While the media and organizations in the orbit of the Democratic Party sought to portray the events largely in racial terms, the fact is the city's political establishment is largely made up of African Americans. This includes Mayor Rawlings-Blake, the police chief, the majority of the City Council and three of the six cops indicted for Freddie Gray's murder. Expressing the contempt of the privileged social layer she speaks for, Rawlings-Blake denounced the youth as "thugs" and "criminals," in remarks later echoed by President Obama. She went on to say, "it is idiotic to think that by destroying your city, you're going to make life better for anybody."

It is a historical fact, however, that the handful of businesses looted and burned in the eruption of spontaneous and entirely understandable social anger is nothing in comparison to the systematic destruction long wrought by the corporate and financial interests Rawlings-Blake and the rest of the political establishment defend. A review of the systematic destruction of decent-paying jobs and the impoverishment of the large portions of the population—black, white and immigrant—exposes who the real vandals are.

Once an industrial hub for steel, ship building, automotive, electronics and chemical manufacturing, the city of 622,000 people today lies in a near-ruined state as idled factories and acre after acre of abandoned industrial wasteland litter the region.

Throughout the twentieth century, Baltimore was synonymous with steel, as the region began producing in 1887. Upon establishing its mill at nearby Sparrows Point in 1917, the Bethlehem Steel Company ordered over 10,000 living units constructed to house the plant's workforce, eventually employing half the town in its massive steel operations.

The mill would go on to become the largest in the world throughout the middle of the twentieth century, producing hundreds of thousands of tons of steel each year to build the Golden Gate bridge and the tunnels to New York City and much of its skyline. Bethlehem's shipbuilding operations, started in 1905, manufactured and repaired cruise ships, cargo and other commercial vessels and over 1,100 military ships in World War II alone.

In addition to Bethlehem, which was the eighth largest company in the US, numerous other manufacturing firms, including General Motors, Solo Cup and Huish Detergents (now Sun Products) employed tens of thousands of workers in the city.

"Bethlehem Steel wasn't even the highest-paying steel job back then; Eastern Stainless cleaned up as far as that was concerned," said Pete, a

former Bethlehem Steel worker who spoke with the *World Socialist Web Site*. "Working at the [Bethlehem Steel mill's] blast furnace department, it was a hard job, but it provided a good workout and the best part was that you worked as a team; everyone, even the guys managing, had to put in work there," Pete said.

"There were so many opportunities [in Baltimore]," Pete continued, noting that "as a working-class kid, we weren't so concerned with going to college; it was all about where we would be going to work: there were so many places. To the west of the city there were places like the General Motors plant, which I worked at starting in 1976. Back then the plant would put together a car a minute," he stated.

Prior to the 1970s, the city's population grew to over 900,000 residents as an influx of working-class families from Europe, the American South and other locations sought out jobs within the region's sprawling manufacturing sector. Throughout this period, nearly one-third of Baltimore's population would be employed in manufacturing, with 35,000 workers employed at Bethlehem Steel alone in the 1950s.

"I arrived in Baltimore from Atlantic City on April 1, 1966, and had a job working at the steel mill by April 6. It all changed once American steel stopped selling and cheaper, high-quality steel from overseas started coming in. The steel in America started getting worse, actually," said Lester, a retired steel worker with more than 37 years experience.

As with other cities located in once-powerful industrial regions in the US, higher-paying manufacturing jobs began drying up throughout the 1960s and 1970s as international competition forced the American ruling class to abandon its previous policies of class compromise. Beginning in the late 1970s and accelerating in the 1980s, the corporate and financial elite, with the full backing of both big-business parties, embarked on a slash-and-burn policy, including a wave of factory closings, mass layoffs, union busting, and the destruction of wages, benefits and social programs. This coincided with shifting production to lower cost countries and the domination of the US economy by ever-greater forms of financial parasitism.

In 1997, Bethlehem Steel sold its Sparrows Point operations to Baltimore Marine Industries, Inc., a subsidiary of the equity management firm Veritas Capital. The plant underwent several other changes of ownership before finally shuttering for good last year. Bethlehem Steel declared bankruptcy in 2001 and its assets, including the Sparrows Point mill, were taken over by billionaire asset stripper Wilbur Ross—who promptly imposed deep concessions on active steel workers while slashing the pensions and health benefits of some 95,000 retirees and dependents.

Ross flipped the company to Indian steelmaker ArcelorMittal, and after changing hands again it was finally liquidated, wiping out 2,000 jobs at the mill and another 1,000 related jobs. In January 2015, the last symbol of the sprawling steel works, the 320-foot-tall "L" blast furnace—the largest blast furnace in the Western Hemisphere—was reduced to a pile of twisted metal by demolition explosives.

In 2005, General Motors closed a 70-year-old van assembly plant in the city, resulting in over 1,000 job losses. From 1970 until 2000, Baltimore lost as many as 100,000 manufacturing jobs as companies shuttered plants and moved to areas with a more readily exploitable workforce.

According to Thomas J. Vicino, author of an authoritative 2009 study on deindustrialization in Baltimore, manufacturing work went from employing a third of the city's workforce in 1970 to less than seven percent in 2000.

The effects of this process have been devastating for the working population in the city, leaving the official unemployment rate at 8.2 percent, or more than three points higher than the state average and the US as a whole.

"All cities have their divide between the haves and the have-nots. But Baltimore stands out for the extent of its gap, as well as the proximity of the two extremes," stated the *Washington Post* in an article posted in its Wonkblog section last month. The article noted that life expectancy in parts of the city is worse than in parts of the developing world, including in North Korea and Syria.

According to a 2014 report released by the Maryland Alliance for the Poor, more than 150,000 people in the city of Baltimore live below the official poverty line. A family at the poverty line has less than half of the required income to rent a standard market rate two-bedroom apartment. The report notes that over 36 percent of children in the city live in poverty.

Noting the connection to the decline in living standards, deindustrialization and the role of the trade unions, Ronnie, a former steel worker, told the WSWS, "the decline of living standards in Baltimore goes back to the betrayal of the 1977-78 miners' strike," referring to the 110-day miners' strike, which was sold out by the United Mine Workers despite the miners' defiance of then-President Carter's back-to-work order.

"The [coal miners] were fighting against conditions faced by the entire working class," said Ronnie, adding that "the AFL-CIO should have issued a trumpet call to all workers to support the strike, but it didn't."

The 1980s then saw betrayal after betrayal. The defeat of the 1981 PATCO [Professional Air Traffic Controllers Organization] strike "rested with the AFL-CIO as well," stated Ronnie. "I remember in 1981 over 500,000 union members marched in Washington DC in support of the PATCO strike, which President Ronald Reagan sought to crush. I was at the march with United Steelworkers Local 2610. I remember holding up a sign in solidarity with PATCO strikers, which some [air traffic control workers] saw and voiced their appreciation for. I asked them to come speak at my local in order to give their perspective on the strike and remember being opposed by my union's leadership, which had been given orders from on high to isolate the strike," Ronnie said.

"The issue isn't that workers are apathetic, that's far from the case," concluded Ronnie, adding that "it was because of their political leadership; all of these unions are tied to the Democrats and oppose a struggle by the working class in defense of their jobs and living standards."

In place of manufacturing, low-wage service sector jobs have become the main employers in the Baltimore region. In the same period from 1970 to 2000, regional service sector jobs more than doubled from 70,000 to over 200,000.

The *Baltimore Sun* admitted in a comment on the opening of an Amazon Distribution Center—located on the site of the shuttered GM van assembly plant—that "[the distribution center] will not have the economic impact of the sort of higher-paying manufacturing jobs that have left Baltimore in such great numbers since the 1970s."

The number of young people searching for employment has far outstripped the availability even of low-paying, temporary jobs. Mayor Rawlings-Blake recently announced a summer jobs program intended to hire an additional 2,000-3,000 youth, hoping to stem concerns about the lack of jobs available to the city's youth. The paltriness of this program is exposed by figures released in a 2014 think tank study on youth employment, which noted that over 11,000 youth aged 14-21 applied for

the city's YouthWorks program that year, with many thousands more being eligible.

"We've heard of 'food deserts' [environments in which access to fresh food is scarce] in the inner cities before, but there also exists such a thing as a 'job desert' too, in which the only jobs on offer in a community you must have connections of some kind to get," stated Karl Alexander, a research professor of sociology at Johns Hopkins University in an interview with the WSWS.

In 2006, Alexander authored the study *The Long Shadow: Family Background, Disadvantaged Urban Youth, and the Transition to Adulthood*, which tracked the lives of several hundred disadvantaged youth in the city throughout their adolescence and early adulthood.

Speaking of the likelihood of a disadvantaged child obtaining the education needed to work in the city's growing IT sector, Alexander noted that less than four percent of the poor children he tracked in his study obtained a bachelor's degree. "Typical poor kids do not finish high school," he said, adding, "What's available to these kids? Their disadvantages multiply [throughout their lives] because all they ever experience is poverty."

Latoya, a 29-year-old working mother from west Baltimore, told the WSWS of her own experiences. "It is really hard; I've been without a decent job, have had places which only call me in to work once or twice a month. I've gone to employment centers and no one calls back. I'm happy now to have a decent job, but most of them you're both overworked and underpaid," she said. She added that managers can abuse employees and recalled being fired while working at a fast-food restaurant simply for being at work when the business was robbed.

Since the financial crisis of 2007-2008 struck, the job losses have accelerated. Maryland has lost 25,000 jobs since 2007, more than all but seven other states, plus the District of Columbia, according to a 2013 analysis by the *Baltimore Sun*.

While rejecting out of hand any expansion of government-funded jobs to rebuild the city's impoverished neighborhoods, Baltimore's Democratic politicians and the Obama administration have pushed "public-private partnerships," to lift regulations and taxes on businesses to promote supposed "economic growth." Last month, Obama announced the creation of several "Economic Promise Zones" in high-poverty areas, including St. Louis County, Missouri, which includes Ferguson, where social unrest erupted late last year over the police killing of Michael Brown.

Far from ameliorating the conditions of chronic unemployment, let alone lifting tens of thousands of Baltimore residents from poverty as the city's industries did for an earlier generation, such schemes only enrich a thin layer of exploiters, including minority business owners. They in turn rely on the police to defend their property and wealth against a largely impoverished population.



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