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Pipe Made in India Incenses Illinois Town

By [LOUIS UCHITELLE](#)

GRANITE CITY, Ill. — Jeff Rains, a retired steelworker at the sprawling mill here, made the discovery. Out walking a month ago, he waited impatiently at a rail crossing while a freight train slowly passed, its flatbed cars stacked with steel pipes, each wide enough for a child to crawl through. Then he noticed “Made in India” stenciled on the pipes.

That observation has made him a Paul Revere in the eyes of many townspeople. Hundreds of sections of imported steel pipe have been moving into Granite City for use in an oil pipeline. The steel mill, meanwhile, has been shut since December for lack of orders — the first time in its 130-year history — and nearly 2,000 workers are on furlough.

“I was very mad when I saw they were imported; I wondered why this pipe had not been made in the United States,” said Mr. Rains, who is 61. Once the train passed, Mr. Rains, still active in union affairs, hastened to the union hall to spread the word.

The [United Steelworkers](#) union has been trying ever since to galvanize the Granite City story into national outrage over steel imports, raising suggestions of [protectionism](#) in the process. The union and its workers want steel pipe for future projects to be made in the United States, creating domestic jobs.

With the economy in tatters, top corporate executives often state privately that they fear this downturn will fuel public sentiment against foreign-made products. Indeed, in February — before Mr. Rains made his discovery — 5,000 people marched through the streets of this steel town in support of a strong “Buy America” clause in the \$787 billion stimulus bill then before Congress.

The imported pipe has inflamed that sentiment. The union filed an antidumping lawsuit in Washington last Wednesday against tubular and pipe steel imported from China. A day earlier, Local 1899 staged a rally here, drawing more than 500 people to the same field where the lengths of “Indian pipe,” as the people here call them, have been stacked.

“The steel pipe behind us is a symbol of what has gone wrong in this country,” one of the speakers declared, arguing in effect that a lax Congress and greedy businesspeople, as in Wall Street, had brought three months of layoff, so far, to more than 10 percent of Granite City’s work force. The crowd cheered, and some chanted back, “No more greed.”

The union’s hope is that the Indian pipe episode will provoke a broad outcry, and similar finger-pointing, forcing Congress to tighten trade rules and pressuring companies that import steel to buy more from domestic suppliers instead.

The pressure on Congress is already evident. A provision in the [stimulus package](#), signed into law in February, limits the hiring of foreign workers by any company receiving government bailout money. At least one institution, [Bank of America](#), has rescinded job offers to foreign citizens otherwise eligible for H-1B visas.

The United Steelworkers asserts that free trade is not the issue. The union's leaders endorse that, as do the chief executives of nearly every multinational company. What the Indian pipe represents, the union argues — and it is joined in this by steel industry executives — is a violation of fair trade. They contend that generous government subsidies allow Indian and Chinese manufacturers to “dump” steel in this country at prices below the fair market value.

“Other countries point the finger at the U.S. and say we are protectionist,” said Nancy Gravatt, a spokeswoman for the American Iron and Steel Institute, representing mill owners, “and then you look at the details in the other countries, and they are not playing by the rules at all.”

Such strong language aside, the episode here has not generated the broad public outcry of, say, the bonuses paid by the [American International Group](#). That is perhaps because trade issues do not generate the same reaction as huge Wall Street bonuses, and perhaps because the steelworkers themselves, as they explained in interviews here, would not have objected to the Indian steel if they were still fully employed at U.S. Steel's Granite City Works. But the industry has been operating at less than 50 percent of capacity since last fall.

Imports have accounted for a steady 20 to 25 percent of the nation's steel consumption for a decade or more — and neither the union nor the steel mill operators challenged that inroad.

But now they are, partly through stepped-up antidumping actions, like the one filed against China last week. The union, in addition, is pushing for policies that would increase manufacturing in the United States, reversing a long decline. It favors, for example, tax credits that would encourage more domestic production of solar panels and [wind turbines](#), replacing imports.

“I have seven children, and six of them need a job,” said Ricky Jankowski, a laid-off steelworker here. “If one of them gets a manufacturing job as a result of our protests, it will be worth it.”

The shrinking of American manufacturing was indeed a handicap when [TransCanada](#), a giant Canadian energy company, agreed to buy 560,000 tons of large-diameter pipe in 2006 for its 1,600-mile Keystone Pipeline, now being built from Alberta to Oklahoma to carry oil to American refineries from Canada's tar sand fields. A section of the pipeline will pass near this Mississippi River town, opposite St. Louis.

An American mill provided 30 percent of the pipe, Canadian mills 23 percent and a giant Indian company, Welspun, the remaining 47 percent, at a low enough price, TransCanada says, to compete with American-made pipe, even allowing for shipping.

“American and Canadian mills would have gotten more if they had had the available capacity to meet our requirements,” said Robert Jones, a TransCanada vice president.

Neither union leaders nor industry executives dispute that assessment. Indeed, neither is trying to stop

construction of the Keystone Pipeline, now that all the steel pipe has been purchased. But the union, at least, is putting pressure on TransCanada to buy American-made pipe for a parallel pipeline soon to be built. In a letter filed with the Transportation Department last week, the union joined the [Sierra Club](#) in challenging, on environmental grounds, TransCanada's request for a permit — one argument being that the walls of the pipe would be too thin.

Pipe made in America would “meet all safety requirements,” a union official declared, responding in part to the growing anger in Granite City, dominated as it is by a giant steel mill that has never, in 130 years, been so quiet and smokeless.

“People here use the word anger to describe their reaction to the Indian steel, but I'm not sure that is the right word,” said the Rev. Gene Fowler, pastor of the First Presbyterian Church, who attended the rally with other clergy members. “I think the right description is, ‘slapped in the face.’ It is like an offense to the community.”

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