

Trust Issue #3

A weekly series focused on the current issues we are facing as citizens of Crystal City

We have been told by the smelter developer (Jim Kennedy), the mayor, and certain council members that this smelter will bring "750 permanent career jobs."

The TRUTH is...

There has been no business plan or feasibility study, so they can't accurately estimate the number of jobs. This uncertainty is apparent based on the inconsistency of what they have been telling us.

Can they get their story straight?

No. of Jobs

320	11-25-06	Jim Kennedy email to Bob French
1000's	09-05-07	Jim Kennedy public meeting
750	09-10-07	Jim Kennedy to citizens outside City Hall
650	10-17-07	Jim Kennedy RiverFront Times article
400	11-12-07	Mayor Schilly city council meeting

So how many jobs can we really expect? The statistics don't look promising.

Fact

- As technology advances, the same or higher production is possible with ***smaller workforces***.¹
- 82% of Steel Manufacturing Facilities hire ***fewer than 100 employees***.²
- Employment in the steel industry is expected to ***decline 25%*** from 2006 to 2016.³
- The ***temporary construction jobs*** in the beginning are often filled by commuting skilled labor.⁴
- ***Jobs are unstable*** because of the inherently volatile metal industry.⁵

Where are all of these permanent local jobs they keep telling us about?

Will this entire deal be filled with empty promises? Maybe they just have trouble telling us the truth.

continued on back

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"The Jefferson County Labor Club *plans to support* incumbent *Della Selmon*, who is running for re-election in Ward 1, and three newcomers: *Dan Portell*, a United Auto Workers member who is running in Ward 2; *Debbie McKenna* in Ward 3, and *Terry Laburay* in Ward 4."

"The labor club is opposed to the smelter because developer *Jim Kennedy* has said he is *strongly opposed to union labor.*"



Labor club Chairman Bart Velasco said, "*This small community can't absorb too much more pollution ... The smelter ... would be too close to Crystal City Elementary School.*"

"So far, everyone on the city council has been very uncooperative about this," Velasco said, "*Many residents of Crystal City have come out publicly and at hearings and meetings to voice their opposition, but everyone on the city council has turned a deaf ear. So we'll just replace them.*"

Velasco said, "*Developer Jim Kennedy* has been invited to meetings set up by the labor club, *but he has yet to call or show up.* Steve Markus, the club's treasurer, *had made several calls to Councilman Ben DeClue of Ward 2 to set up the meeting — to no avail.*"

Occupational Health and Safety

According to the Bureau of Labor Statistics, the 2006 rates of occupational injury in iron and steel mills was 5.4% compared to the rate of 4.4% for the entire private sector.⁶ That means that more than 1 in every 20 employees gets injured on the job per year. Other job health and safety concerns are:⁷

- **Respiratory Hazards** — Workers may be exposed to iron oxide dust that can be contaminated with heavy metals such as chromium, nickel, lead, manganese, zinc, and mercury.
- **Explosion and Fire Hazards** — Handling of liquid metal may result in explosions, causing melt runoff and burns. Coal dust is also combustible and represents an explosion hazard in coal handling facilities.

Instability and Property Values

The metal industry is prone to both "booms" and "busts" as well as to a long-term decline in the labor required to produce any given volume of metal ore.

Because of the unstable reality of the metal market, workers are willing to commute a considerable distance to their jobs in order to protect their investment in their homes by not buying a home in a mining or mill town, where *a shutdown could severely reduce the value of the homes.*⁸ This means that much of the payroll from this smelter could be spent in adjacent communities, not Crystal City.

In a recent Post-Dispatch article, Howard Wall, an economist at the Federal Reserve Bank of St. Louis, stated that "*when the economy slows down, manufacturing tends to get hit the hardest.*" The article also says that a recession would not hit the St. Louis area as hard as in the past, in part because this area is *less reliant on the fickle business of making things such as cars, airplanes, and steel.*⁹

Why are they risking our health and livelihood on one unstable industry?

1,4,5,8 Thomas Michael Power, *The Economic Role of Metal Mining in Minnesota: Past, Present and Future*; online edition, http://www.mncenter.org/minnesota_center_for_envi/Files/Miningreport10-4.pdf, October 2007.
 2,3,6 Bureau of Labor Statistics, *Occupational Outlook Handbook 2008-09*; online edition, <http://www.bls.gov/oco/>
 7 *Environmental, Health, and Safety Guidelines for Integrated Steel Mills*, International Finance Corporation – World Bank Group; online edition, [http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/gui_EHSGuidelines2007_IntegratedSteelMills\\$FILE/Final++Integrated+Steel+Mills.pdf](http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/gui_EHSGuidelines2007_IntegratedSteelMills$FILE/Final++Integrated+Steel+Mills.pdf), April 30, 2007.
 9 Tim Logan, St. Louis has largely retreated from manufacturing jobs – and their uncertainty. St. Louis Post-Dispatch; front page, February 24, 2008.