

US steel union hails Obama trade war measures

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The United Steelworkers union (USW) is predictably hailing new trade war measures recently implemented by the Obama administration targeting certain imported steel products.

USW President Leo Gerard issued a chauvinist statement calling the opening of a preliminary anti-dumping investigation by the US Department of Commerce “welcome news” and a step toward making “our nation’s trade policies work better for working Americans.” Gerard went on to blame China for creating “overcapacity” in the global steel industry and called for duties on other imported steel products.

The order by the White House will result in customs officials requiring a cash deposit on the duty rates for cold rolled steel imports from China and six other countries—Russia, Brazil, Japan, India, Korea and Britain. The duties imposed on Chinese steel are particularly stiff, 266 percent. The International Trade Commission will make a final decision on the duties later this year.

In a related development, the Obama administration imposed trade restrictions on Chinese telecommunications supplier ZTE Corp. The White House claimed the company violated US technology restrictions targeting Iran. It is the only Chinese smartphone brand with substantial handset sales in the US. The new rules bar US companies from supplying ZTE with an array of goods including computers, software and telecommunications equipment.

The trade measures announced by the US take place under conditions of an intensifying global economic crisis that has seen the mass layoff of steelworkers globally. In the US, some 12,000 steelworkers are on layoff or threatened with layoff in steel towns across the Midwest. Taconite miners in the Iron Range of Northern Minnesota have also faced layoffs. In China,

some 400,000 workers at state affiliated steel companies are targeted for job cuts. In Britain, Tata steel recently announced the elimination of over 1,000 jobs.

The measures being implemented by the Obama administration have two purposes. In the first place US capitalism is seeking to offload the impact of the deteriorating world economic situation onto the backs of its overseas rivals by restricting imports. Further, both political parties are seeking to divert anger over declining living standards and job insecurity by pitting American workers against their co-workers in other countries through the whipping up of nationalism. This is aimed at covering up the responsibility of the capitalist system for the economic distress afflicting not just steelworkers, but hundreds of millions of workers in the US and globally.

Both the presidential campaigns of Republican Donald Trump and Democrat Bernie Sanders are playing the nationalist card. While Trump resorts to openly racist denunciations of Muslims and Mexican immigrants, the Sanders campaign, by its call for tougher trade measures against US overseas competitors, effectively tells American workers that workers in other countries are responsible for taking their jobs. The ultimate logic of the position of both Sanders and Trump is to line American workers up in a shooting war with the capitalist rivals of the United States, including nuclear-armed countries such as Russia and China.

USW President Gerard has close ties to the Obama administration, including a seat on the President’s Advisory Committee on Trade Policy and Negotiations. Former US Treasury Secretary Timothy Geithner visited USW headquarters in Pittsburgh and US Trade Representative Ron Kirk met with the USW executive

board.

Under Gerard the USW has filed more trade law complaints than any other union or US corporation. The USW has in particular targeted China, claiming it is dumping steel in US markets.

The promotion of nationalism by the USW is the other side of its suppression of the class struggle within the US. While denouncing China the steel union is responsible for carrying out grotesque betrayals of American workers in the name of making the steel giants “more competitive.”

The USW recently imposed a miserable sellout on locked out workers at Allegheny Technologies (ATI). The deal ending the six-month lockout imposed a host of concessions including higher out of pocket medical payments, the end of defined-benefit pensions for new hires and the creation a new second tier of lower paid workers. It also permits increased sub contracting and imposes brutally arbitrary scheduling practices.

During the course of the lockout, the USW worked to separate the struggle of ATI workers from workers at US Steel and ArcelorMittal, who also faced contract expirations. Workers were forced to rely on meager state unemployment benefits during the lockout while the USW sat on a strike fund of some \$350 million.

Workers at ArcelorMittal and US Steel are already feeling the consequences of the USW betrayal of ATI workers. After isolating the ATI workers for months, the USW forced through a sellout agreement at US Steel. According to reports the contract freezes wages for three years and does not contain a signing bonus. It also eliminates retiree health care benefits for those hired after January 1.

Meanwhile, at ArcelorMittal, the USW has offered millions in concessions aimed at keeping the world’s largest steelmaker profitable. Instead of wage increases this includes a system of lump sum payments based on the pricing for hot band steel. For its part the steelmaker is holding out for even deeper cuts. All the while the USW has stressed its “partnership” with management, aimed at imposing the burden of the crisis in the steel industry on the backs of workers.

Steelworkers throughout the world, including in China, are coming into struggle against the attack on their jobs and living standards. Nearly 4,000 workers at the ArcelorMittal mill at Lázaro Cárdenas on Mexico's Pacific coast went on strike earlier this week. The

Mexican government has declared the strike illegal, however workers are pressing ahead citing multiple contract violations by management. The walkout followed the closure of a coke plant resulting in 238 layoffs.

The virulent nationalism promoted by the USW cuts across the establishment of any kind of unity between US and Mexican workers. Indeed, the recent press release by the union on the strike by Mexican ArcelorMittal reproduces a statement by USW Vice President Tom Conway denouncing United Technologies for shipping “2,100 good Steelworkers jobs to Mexico.”

Under conditions of mounting global economic crisis and the rumblings of war between the US and China the establishment of the international unity of the working class assumes critical urgency. If this unity is to consist of more than hollow phrases it must be based on a socialist and internationalist perspective.

This requires bitter opposition to the economic nationalism promoted by the USW and capitalist politicians such as Sanders and Trump. The allies of American steelworkers are not the steel corporations, but the workers in China, Mexico and globally. The defense of jobs requires the unification of the international working class in a struggle for the social ownership of the steel industry under the democratic control of the working class. This would make possible a vast expansion of production based on meeting human need, not private profit.



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