

The United Steelworkers, economic nationalism and the US drive to war

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Under conditions of plunging global demand for steel and an escalating attack on the jobs of steelworkers throughout the world, the United Steelworkers (USW) union in the United States is working closely with the Obama administration to impose protectionist measures against China and other countries.

While doing nothing to stop the attack on jobs, the USW is seeking to whip up anti-Chinese hatred and provide ideological support for US imperialism's increasingly aggressive war preparations against China, which will be accelerated whether Hillary Clinton or Donald Trump wins the election.

The USW has filed several legal actions in conjunction with US- and foreign-based steelmakers operating in the United States, including US Steel, ArcelorMittal USA, AK Steel Corp., Nucor Corp. and Steel Dynamics—alleging that other countries are “dumping” low-cost steel or unfairly subsidizing their domestic steel industries.

Last Friday, the US Commerce Department set import duties on hot-rolled flat steel from Japan, South Korea, Turkey, Britain, Brazil, the Netherlands and Australia of as much as 34.3 percent for five years. This followed last month's Commerce Department ruling for final duties on cold-rolled steel from Brazil, India, South Korea, Russia and the United Kingdom. The US International Trade Commission (USITC) is scheduled to make a final ruling on the tariffs next month.

Hailing the rulings, USW President Leo Gerard said, “The hot-rolled steel trade case and others like it are vital to saving steel jobs and our communities. But they're only part of the solution. Chinese excess steel overcapacity is causing terrible injury world-wide and remains a long-term threat.”

In testimony before the Congressional Steel Caucus last April, Gerard warned that protectionist measures were vital to America's readiness for war. “Manufacturing, and the critical steel sector, is vital to America's national and economic security. In terms of national security, it's not just the steel that goes into our ships, tanks, armored personnel vehicles and other weapons. It's the critical infrastructure

that supports our warfighters and our nation.”

Gerard was beating the drums for trade war and world war side-by-side with top executives from ArcelorMittal and US Steel who were at the time demanding sweeping wage and benefit concessions from workers and destroying thousands of jobs.

The USW and the steel bosses claim that China is overproducing steel of all types and causing “global overcapacity,” which has led other countries to sell their products below cost in the United States. The USW has also sought to corral workers behind sections of the Democratic Party opposed to the Trans-Pacific Partnership (TPP) trade agreement, on the basis that the agreement, which in fact excludes China, would provide a backdoor for Chinese steel to enter the US market.

In determining their own independent standpoint, workers must critically examine the meaning of “overproduction,” as the WSWS has explained before. There is no “overcapacity” in relation to human and social need. There is plenty of demand in the US and around the world for steel to repair decaying infrastructure and build new bridges, roads, schools, hospitals, residential and office buildings, along with trains, buses and cars.

Under capitalism, however, production is not carried out for human need but for profit. For the giant steel companies and the powerful financial institutions that control them there is an overproduction of steel in relation to the extraction of sufficient levels of profit. In order to restore their high returns on investment what is necessary is the closure of large sections of the global steel industry, the elimination of millions of jobs and the decimation of workers' communities and lives.

Throughout the 20th Century the ruling classes of the world also utilized far more violent and destructive ways to reduce “overcapacity.” The productive forces—both technological and human—must be destroyed so that the capitalist order—based on the accumulation of private profit—can be maintained. That is the logic of the USW's anti-Chinese agitation and jingoism.

Echoing Donald Trump's claims that US politicians have foolishly negotiated trade agreements that put the US at a disadvantage, Gerard said, "The US is a nation that adheres to the rule of law and believes that every other nation wants to be like us and act like us. That simply is not the case and Americans across the country—from both political parties—are rising up this year to make clear that their elected leaders need to change course." He added that it was time for China to face a "real cost" for its alleged unfair trade.

The presentation of the US, which has carried out illegal invasions, renditions, torture and assassinations, as an international model of a law-abiding country would be laughable if it were not so sinister. The USW's call for the US government to "ensure that the trade policies of foreign competitors are consistent with international rules" echoes Obama's declaration that the US, not China, "should write the rules of 21st century trade." These remarks ushered in the "Pivot to Asia" and the "freedom of navigation" military operations by the US in territorial waters claimed by China, which could quickly descend into a clash between two nuclear-armed nations.

The anarchy of the capitalist system and the irrational division of the world into rival and competing nation states makes any harmonious coordination of world steel production impossible. Instead in every country, the ruling class and their servants in the trade union bureaucracies are promoting the snake oil of economic nationalism, which would only lead to a more catastrophic collapse of world trade, and ultimately war.

Germany's IG Metall union now holds rallies to denounce "Dirty Chinese steel." Faced with the planned mass layoffs at Tata Steel plants across the country, the British Unite union issued the following appeal to then Conservative Prime Minister David Cameron for tax breaks for British steel firms, trade barriers for Chinese steel and a "Buy British" mandate for government-backed construction projects.

The USW, like other industrial unions in the US, including the United Auto Workers, has long used economic nationalism to divide US workers from their brothers and sisters, and justify their corporatist collusion with the steel bosses. In the 1980s and 1990s, the USW mounted an anti-Asian campaign against Japanese steel, complete with bumper stickers saying, "Remember Pearl Harbor." Gerard and other union executives worked with billionaire asset strippers like Wilbur Ross (a major Trump supporter now) to restructure the steel industry and destroy the jobs and pensions of hundreds of thousands of workers. In return, the USW was given control of billions of dollars in retiree health care benefits, known as VEBAs, which have been used as an investment vehicle for the union executives.

In his testimony to Congress last week, USW Vice President Tom Conway boasted how the union had worked systematically to destroy wages and conditions won over generations of struggle. "In the wake of several waves of predatory steel imports over the past 30 years, our members and retirees have sacrificed to make the American steel manufacturing industry the most competitive steel industry in the world. We agreed to company consolidations, workforce reductions, and changes in workplace rules to increase productivity. We negotiated agreements that encouraged companies to put money back into the mills."

Conway noted that for the first quarter of 2016 steelworker wages were almost \$50 million less than they were in the first quarter of 2015. In addition to blocking any struggle against layoffs and mill closures, the USW spent last year preventing a unified struggle by 35,000 steelworkers whose contracts were running out at US Steel, ArcelorMittal and Allegheny Technologies (ATI). The USW deliberately isolated 2,200 locked-out ATI workers while dragging negotiations out for months before ramming through a new round of concessions. Workers at all three companies now face plant closures, mass layoffs, stagnant wages, skyrocketing healthcare costs and steep cuts to retirement benefits for both new hires and current retirees.

The global economic crisis is throwing billions of workers around the world into struggle. In recent months strikes and other protests have erupted against the threatened layoff of 1.8 million steelworkers and coal miners in China; steelworkers in Mexico and India have struck at ArcelorMittal and Tata Steel respectively; and Australian, Canadian and US workers are facing huge job cuts.

In opposition to the nationalism and warmongering of the trade unions and right-wing politicians like Clinton and Trump, steelworkers throughout the world must coordinate their struggles to defend the social right to a good-paying and secure job for all. The only alternative to the anarchy of capitalism and the descent into world war is the program of international socialism. The major industries and banks must be put under the collective ownership and democratic control of the working class and the world economy reorganized based on a scientific plan to produce for human need, not private profit.

That is the perspective of the Socialist Equality Party in the US and its sister parties around the world.



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