The United Steelworkers, Wilbur Ross and economic nationalism

Evan Winters
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In the wake of the election of Donald Trump, the United Steelworkers union (USW) has gone to great pains to offer its services to the incoming administration. In a friendly letter to Trump, USW President Leo Gerard pledged, "We are prepared to work with you and your administration." Noting Trump's promises to "bring jobs back home…take a hard line with our trading partners and to reform our nation's failed trade policies," Gerard asserted, "We share those goals."

Indeed, although the USW has historically aligned itself to the Democratic Party, endorsing Hillary Clinton in the election, the USW's overtures to Trump are entirely in line with its long-held corporatist agenda of collaboration with management on the basis of America-first nationalism. Functioning as an appendage of the steel bosses, the USW has sanctioned the destruction of the jobs, living standards and pensions of tens of thousands of workers.

Donald Trump's pick for Commerce Secretary, billionaire asset stripper Wilbur Ross, is no stranger to the executives who occupy the USW headquarters in Pittsburgh. On the contrary, Gerard & Co. have worked closely with Ross for at least 15 years. While the relationship has been very lucrative for both parties it has been nothing but disastrous for rank-and-file steelworkers.

Ross specializes in buying "failing" companies in the steel, coal, auto parts, and textile industries, imposing major attacks on workers and retirees, and then flipping them in order to make billions.

In early 2002, as Ross was beginning his steel industry buying spree, which began with the purchase of LTV Steel and Acme Steel later that year, the USW painted the former Rothschild Inc. banker as a savior of steelworkers. USW President Leo Gerard stated at the time that Ross was "a new ally in the fight to win strong federal action to save the American steel industry."

The USW and Ross successfully lobbied together for legislation that allowed Ross' International Steel Group (ISG) to offload retiree obligations onto the federal government's Pension Benefit Guaranty Corporation (PBGC). This was combined with a joint effort to lobby the Bush administration to put tariffs on foreign steel, particularly from China. Ultimately, the USW and other unions allowed Ross' ISG to shirk $15 billion in steelworker retiree pension and health obligations.

In November 2003, amid this bloodbath, the USW heaped praise on Ross for his "friendlier" approach to labor relations, while blaming attacks on pensions exclusively on "damage caused by illegal imports."

Gerard noted at the time the union appreciated Ross' "creative" approach despite the "pain" that sometimes accompanies it, such as the loss of pensions and benefits for 82,000 retirees when the company took over LTV Steel. "ISG and Wilbur Ross, in particular, provided an opportunity to revitalize a company," Gerard said in an interview. In Gerard's words, the destruction of pensions was a necessary step to "level the playing field with relief for the industry's legacy costs."

The flag-waving protectionism promoted by Ross and the USW had nothing to do with "saving" jobs. The tariffs and restrictions on steel imports were aimed at boosting the market share and profits of Ross while enhancing the business opportunities for the aspiring financiers in the USW and their Wall Street advisors.

The USW spoke well of Ross' "open-door" policy, which allowed for backroom deals between union and management and the promotion of bogus "profit-sharing" schemes used to ramp up production and replace regular increases in base pay. Mark Granakis, president of USW Local 979, gushed, "It's a pleasure to go into there to solve problems instead of filing grievances. We want to see the company succeed obviously for our own security but in addition, make a lot of money so they can share that money with us."

In return, Ross had nothing but praise for his labor police force. "Leaders of some of the big industrial unions, the steelworkers, the autoworkers--they understand the dynamics of the industry at least as well as the senior management of the companies," Ross said in a 2010 interview with Charlie Rose.

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With the help of Ron Bloom, a Wall Street banker hired as Gerard's advisor, the USW and Ross offloaded a substantial portion of retiree health obligations into a Voluntary Employee Beneficiary Association (VEBA) fund, an investment vehicle over which USW bureaucrats exercised significant control. Ross praised his friendly dealings with Bloom, the nominal representative of workers whose lives were destroyed by the restructuring, calling him, "very, very pragmatic, not overly ideological."

The USW continues to rail against "illegal" Chinese imports of steel and other metals while collaborating in attacks on workers' living standards. The union worked with management to attack wages, benefits, and jobs for over 30,000 steelworkers at US Steel, ArcelorMittal, and Allegheny Technologies in 2015-2016. At the same time, the USW worked tirelessly to direct workers' anger behind trade war measures against China.

In November, US metal manufacturer Sherwin Alumina announced a formal shutdown of operations in Gregory, Texas after locking out its 450-strong workforce for over two years. After isolating the embattled workers and ensuring their defeat, as the USW did to locked out workers at ATI, USW officials commended workers for "standing strong," before blaming the shutdown on "unfairly traded Chinese aluminum."

In recent years, Ross has continued his efforts to tighten his relations with the trade unions. In 2011-12, Ross's private equity firm, WL Ross, made a $50 million cash infusion to get a 20 percent stake in Amalgamated Bank, a struggling financial institution that was owned by the Service Employees International Union and managed pensions. Immediately afterwards, the bank approved a $15 million loan to the SEIU.

In August 2016, several months before the US presidential election, Ross coauthored an op-ed article with right-wing economist Peter Navarro in the *Pittsburgh Post- Gazette*, attacking Clinton's involvement with free trade agreements. In an apparent effort to court the unions into Trump's camp, they argued, "All of the Clintons' bad trade deals were staunchly opposed by the AFL-CIO and trade unions like the pride of Pittsburgh, the United Steelworkers of America. Yet today, union leaders are holding their noses while asking their rank-and-file members to support a candidate in Hillary Clinton that has done more to hold their paychecks down and put them on the unemployment line than any presidential candidate in post-war history."

While the unions have long backed the Democratic Party in order to prevent the working class from advancing an independent and socialist opposition to the decaying capitalist order, a section of the union bureaucracy is seeking to find its way into Trump's camp. The *World Socialist Web Site* warned long ago that a future fascist movement in the US would find ample support from the reactionary and anti-working class elements that make up the American labor bureaucracy.

The USW is now presenting another billionaire—Trump—as the savior of workers. The USW immediately hailed the bogus deal Trump brokered to "save" the Carrier heat furnace plant in Indianapolis. When workers discovered that the agreement sanctioned the wiping out of more than 1,300 of the 2,100 jobs in Indiana, the local president at the plant was forced to accuse Trump of lying. After Trump tweeted denunciations of the local president, Gerard declared that he would not let Trump's attack stand in the way of forging closer collaboration with the incoming administration.

This is only a foretaste of the treacherous role that the USW and the other anti-working class and corporatist unions will play under Trump. Not only will they collaborate in the class war policies that will be carried out by the most right-wing government in history, the USW will help spew the nationalist poison that the American ruling class needs to prepare for war.

Workers, including those who voted for Trump, will come to see the real character of this government and opposition will grow. Workers need new organizations of struggle, controlled by the rank and file, and wholly independent of the corporatist unions and the two big business parties. Above all they need a new political strategy based on the understanding that workers throughout the world face the same enemies and the same problems. Workers around the world must unite their forces against the global capitalist system, which enriches parasites like Ross and Trump by impoverishing the working class.

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