

# **US Steel to lay off 150 workers in Indiana as Trump administration escalates trade war**

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Pittsburgh-based US Steel Corporation (USS) announced Friday that it will lay off 150 workers when it idles its East Chicago Tin mill in East Chicago, Indiana, by mid-November. The mill currently employs 297 workers. Remaining employees are expected to be shifted to vacant positions at USS Gary Works in Gary, Indiana, and USS Midwest Plant in Portage, Indiana.

The announcement of the layoffs in East Chicago follows US Steel's declaration earlier this month that up to 200 workers will lose their jobs at its Great Lakes Works facility in Ecorse, Michigan, a suburb of Detroit.

The announcement came on the same day that US President Donald Trump announced his plans to hike tariffs on steel products imported from China to 30 percent (currently at 25 percent) and increase tariffs to 15 percent from 10 percent on a remaining \$300 billion worth of goods from China that are set to go into effect in October and September, respectively.

US Steel said that its decision to stop production and cut jobs was based, on the one hand, on the threat of large amounts of cheaper imports of tin products from countries outside of the US, and, on the other hand, what it sees to be the falling demand for canned products on the world market.

The company idled the facility previously in April 2015 and laid off 369 workers, a decision justified by the corporation as a response to foreign competition.

The layoffs in East Chicago followed the announcement of 800 layoffs by California-based Del Monte Foods last week, which will close two canning facilities in Illinois and Minnesota, citing the impact of the Trump administration's tariffs. The wettest 12-month period on record from April 2018 to May 2019 severely limited the growing season in the US, leading to a knock-on effect in demand for tin, which is used in vegetable canning.

ArcelorMittal, the world's largest steelmaker, also announced last week that it would lay off about 100 workers at its Weirton tin mill in West Virginia, "in order to maintain its position as a competitive and sustainable tin plate producer" according to company spokeswoman Mary Beth Holdford.

The recent announcements of over 1,000 job cuts related to the US metals industry lays out the realities of the Trump administration's nationalist economic policies for the working class. Far from protecting workers' jobs in the US, these policies have resulted in significant cuts as corporations seek out avenues to increase profits.

A worker on Facebook criticized the trade war measures and the layoffs: "[Since some companies] can't do business with China, more and more American companies are going to suffer from the 'trade wars,' and American workers will be the collateral damage...keeping America 'great,' one business closing/worker lay-off at a time."

Another worker wrote: "The capital[ist] class has destroyed what used to be such a wonderful culture of abundance and hard work. There are so many out here working so hard while those that own our housing and workplaces get rich off of our efforts. Just sad. I watched the steel belt turn into the rust belt and it was heart breaking."

US Steel's stock price initially shot up when the Section 232 tariffs were rolled out in March 2018, primarily aimed against China. However, its stock price dropped gradually as the price of hot-rolled steel coil dipped and retaliatory tariffs on imports of US goods took effect worldwide.

Despite falling sales and stock prices, the company continues to generate a great deal of profit for its corporate executives and shareholders. The company

has reported \$6.86 million in gross profit for the first two quarters of 2019, well above its total gross profit for each of the entire years of 2016 or 2015, when the corporation lamented foreign competition as an obstacle to its ability to generate greater profits.

The layoffs in Indiana and Michigan come as the City of Gary and the State of Indiana have offered US Steel a \$47 million tax break in order to help it invest \$750 million into its Gary Works plant, where the company has already announced that it will idle one of its blast furnaces.

Rather than fight for workers' jobs in East Chicago, USS announced that the United Steelworkers union (USW) will be working with the company to shift the remaining employees to other jobs. The union is stoking nationalism to misdirect and smother working class dissent, enabling the company to carry out its assault on workers' livelihoods.

The USW has been one of the most vociferous backers of Trump's trade war policies ever since his presidential campaign in 2016. It is a thoroughly pro-capitalist organization, having degenerated from its militant roots in rank-and-file struggles in the 1930s. Neither the USW nor any of the unions in the AFL-CIO apparatus can be reformed to fight for workers' interests. The corrupt, anti-working class character of these organizations stems from their roots in the outmoded nation-state system.

In 2015, US Steel laid off thousands of workers across the US as contracts with the USW were set to expire. The USW blocked any resistance by workers to these attacks and then signed contracts that imposed wage freezes, cuts to health care benefits, and sanctioned layoffs the company said were necessary to stay "competitive."

The contracts the USW pushed through in 2018 offered no protections against layoffs and provided a meager 14 percent wage increase over four years after a three-year pay freeze.

No less than the Republicans, the Democratic Party backs the Trump administration's economic policies, even pressing him for a more aggressive approach toward China. As representatives of the capitalist class, the Democrats see the measures as a critical effort to boost the American ruling class against its economic competitors and to divide the international working class along national boundaries to block any challenge

to capitalism.

The capitalist system, which relies on the exploitation of an international division of labor for each part of the production process, cannot be saved through economic nationalism, nor can workers' jobs and living standards can be protected and even elevated by such measures.

Trump's trade war measures have further deepened the contradictions of US capitalism and plunged it further into a crisis that it cannot solve through peaceful means, threatening a military war with China that will have nuclear implications, drawing in all of the imperialist powers in a battle to re-divide the world's productive forces and raw resources.

Each demand raised by the working class, whether it is for an end to layoffs and plant closures, higher wages, or safe working conditions, raises political questions of an international and revolutionary character. Steelworkers in the US who wish to fight to defend their jobs must break out of the grip of nationalism imposed by the USW and form independent rank-and-file committees to join forces with workers around the world who also face declining living standards, mass layoffs and plant closures.

These committees must have as their aim the coordination of a fight to end to the global system of capitalist exploitation for profit and replace it with international socialism—an economic system run by the workers themselves, in which the world's productive forces are used to meet social need, not the personal profit interests of the wealthy few.



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