

This week in history: November 11-17

10 November 2024

25 years ago: US and China sign trade agreement, paving way for China's entry into the World Trade Organization

On November 15, 1999, US and Chinese officials signed a trade agreement in Beijing which opened the gates for China's entry into the World Trade Organization. The event augured a bonanza for US capitalism, which saw enormous profit potential in the exploitation of China's natural resources, vast market, and especially its massive working class.

The deal had required 13 years of intensive negotiations between US imperialism and the Chinese Stalinist regime. For the Chinese Communist Party (CCP) bureaucracy, the deal further intensified the market changes started in 1978 under Deng Xiaoping. This capitalist restoration, called "reform and open door," started just two years after the death of Mao Zedong and his disastrous economic policies based on the Stalinist program of "socialism in one country."

Foreign Trade Minister Shi Guangsheng said at the signing ceremony that the Chinese government was "looking forward to the day when China will become a full member of the WTO." US President Bill Clinton hailed the pro-capitalist deal during a visit to Turkey. He said, "Today China embraces principles of economic openness, innovation and competition that will bolster China's economic reforms and advance the rule of law... a profoundly important step in the relationship between the United States and China."

The trade deal's impact had deep consequences for the Chinese working class and peasants. US companies were given huge access to previously untapped markets, which threatened millions of agricultural workers and the more than 7,000 state-owned enterprises (SOEs). It gave Wall Street and US banks a direct say in the Chinese financial system in competition with Chinese banks, which had been the main source of funding for SOEs. Unemployment in China was at 8 percent and analysts expected with the opening the rate would increase with the layoff of workers in SOEs.

Telephone companies were to be permitted ownership of 49 percent of all phone services once China officially joined the WTO, and 50 percent after two years of WTO membership. Investment in internet companies and content providers was permitted for outside firms for the first time. US Trade Representative Charlene Barshefsky told the press that the internet was a major economic and technological target, ripe for money-making, saying it was a "top priority for us" and that she was happy the US had "rights of investment." Tariffs were reduced and businesses were preparing for massive investments in semiconductors and vitally important metals for new technologies.

The financial press reported that US companies in China "expressed delight" over the deal. According to John Sullivan, vice chairman of the American Chamber of Commerce in China, the implementation of WTO rules would "reduce many of the distribution and regulatory hardships" presently faced by US companies and would provide "more growth potential for American companies."

50 years ago: Strike of 120,000 miners shuts down US coal production

On November 12, 1974, over 120,000 coal miners throughout the United States went on strike against several large coal mine companies organized in the Bituminous Coal Operators Association (BCOA). The strike was called after BCOA and the United Mine Workers (UMW) failed to reach an agreement on a national contract that would set the wages, benefits, and workplace conditions for the miners.

Consistent with the experience of nearly all workers in the mid-1970s, coal miners suffered major losses in their pay due to record levels of inflation. Stemming from the end of the Bretton-Woods system by the Nixon administration in 1971, the global economy entered a major period of inflationary crisis.

The years 1970 to 1974 saw a cumulative inflation rate of nearly 33 percent. The rapid rise in prices threatened to wipe away the gains in living standards that workers had won in the post-war period.

Miners carried out the 1974 strike with immense solidarity and tight organization. Having witnessed the powerful miners' strike in Britain in January-February that brought down the Tory government, American miners were determined to make equally significant gains.

The strike caused the immediate shutdown of the major coal fields. Lasting until December 10, it forced the intervention of the federal government. President Gerald Ford threatened to use the Taft-Hartley Act to declare the strike illegal and force miners back on the job. However, an agreement would eventually be accepted before Ford invoked Taft-Hartley.

Miners won several major gains in the strike. Over the three-year life of the contract, workers received a 54 percent wage increase that included an automatic cost of living adjustment to offset the effects of future inflation. BCOA miners also received more vacation days and an improved pension. The UMW left stranded on strike miners not covered by the BCOA agreement. Many wildcat strikes broke out in the following years in both BCOA and smaller mines.

Historically among the most exploited and militant section of workers in the US, coal miners were determined not only to offset the price increases but to improve conditions including more time off, pension plans, and improved healthcare.

The years immediately preceding the strike had seen a major crisis in the UMW leadership. In 1969 elections for union leadership were rigged in favor of the sitting president Tony Boyle against the challenger Jock Yablonski, who had pledged to implement limited democratic reforms into the highly bureaucratic organization. With clear evidence that the election results were fraudulent, Yablonski challenged them and filed a complaint with the Department of Labor. To silence him, Boyle ordered Yablonski's assassination. On December 31, 1969, he, along with his wife and daughter, were shot and killed in their home.

The murders set off a wave of anger among coal miners disgusted at the levels of criminal treachery by the UMW leadership. In 1972, a new election in the UMW was ordered and Boyle was defeated by Arnold Miller. In April 1974, Boyle was convicted of the murders and sentenced

to three life sentences in prison.

Miller was the candidate of the Miners for Democracy (MFD) faction that was formed in the aftermath of the Yablonski assassination. While presenting itself as a reform faction in the UMW, the MFD accepted capitalist class relations and worked with the owners, and the federal government, to reach an agreement amenable to the bosses.

However, with rank-and-file miners demanding the democratization of the union and a militant national strike against inflation, Miller was compelled to authorize the strike and implement a number of limited organizational changes.

The US predecessor of the Socialist Equality Party, the Workers League, intervened in the strike to provide workers with a political perspective to root the strike in a fight against the capitalist system that had forced them into struggle. A statement published in the Workers League's newspaper, *The Bulletin*, on the day the strike began, explained:

No one can question the courage and determination of the miners. But militancy alone is not enough for this struggle. The demands of the miners for decent living standards completely collide with plans of the Ford government and the capitalist class to impose the full impact of the economic crisis on all workers through mass layoffs, wage cuts, and speedup... The basic rights of the working class can only be defended if the issue of wages is linked to a political fight for socialist policies and a labor party to unite the entire working class against Ford and the employers.

75 years ago: Settlement between union and corporation a major step in ending the nationwide US steel worker strike

On November 11, 1949, a settlement was reached between the United Steelworkers of America union (USW) and the US Steel Corporation, which employed a third of the nation's basic steel industry workers. This was the last major settlement made to end a month-long strike of steel workers, which had begun on October 1. At its peak, the stoppage involved 500,000 workers in 29 states.

Initial demands of the USW included a wage increase, adequate pensions upon retirement or disability, and social benefits for "life, accident, health, medical, and hospital insurance" paid for by the companies.

But the union would later agree to recommendations made by a board appointed by Democratic Party President Harry S. Truman, which over a period of several months whittled down these demands to a pittance of what was originally demanded by workers. This included the unions agreeing to not strike for increased wages. The new agreements amounted to what US Steel president Benjamin Fairless described as a "compromise."

The steel corporations did not agree to pay for pensions and social insurance benefits, one of the main issues being fought for by workers. As described by *The Militant*, the Trotskyist newspaper in the US at the time: "The steel workers were thus forced to strike anyway, but under unfavorable conditions and for a mere crumb. They could just as well have gone on strike to begin with and won far better terms, including some immediate wage gains."

The US Bureau of Labor Statistics described the strike the following year as "orderly in all parts of the country, as in the 1946 steel stoppage. There were no pickets at some mills; at others, only token picket lines were established."

The first agreement occurred almost a month into the strike on October

31, when the Bethlehem Steel Corporation, employing 80,000 striking workers, signed a contract to provide workers with a non-contributory pension plan and a contributory social insurance program. This became the blueprint for future agreements that would bring the strike to a complete halt, including the one made on November 11 with US Steel. Agreements with smaller corporations would continue into December.

Because of the agreements made between the corporations and the unions, workers of US Steel and other companies did not gain any increase in wages from the strike. The new settlement in fact represented a wage freeze for upwards of two-and-a-half years.

100 years ago: Estonia executes communist member of parliament

On November 14, 1924, the right-wing Estonian government hanged communist leader Jaan Tomp on charges of treason. Tomp was a member of the Riigikogu, the bourgeois parliament set up in 1919 by Estonian nationalists, and the leader of the Central Council of the Workers' Unions of Estonia.

His murder was an outcome of the infamous "Trial of the 149," a mass frame-up of communists that had begun earlier that week. Hundreds of communists, including several members of the Riigikogu, had been arrested in several raids on workers' clubs beginning in January. Communist newspapers and organizations were banned.

The results of the trial included not only the execution of Tomp, but the sentencing of scores of the militants to terms at hard labor ranging from life to six years. Others received lesser sentences.

The situation in Europe was volatile, with the German working class coming close to a seizure of power in October 1923 and a failed uprising in Bulgaria the same year. The Communist International, then under the leadership of the triumvirate of Zinoviev, Kamenev and Stalin, of the Russian Communist Party, reacted to the Trial of the 149 in Estonia with an adventurist policy. It called for an attempted coup by the Estonian Communist Party. Without mass support, the coup was easily defeated.

Many of the communist leaders who fled Estonia to the USSR in the aftermath of the coup were later murdered by Stalin in the political genocide of 1937-38.



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