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Global Steel Monopolies Push "Trade Remedy Modernization" Plan

Steel monopolies operating in Canada and their political representatives are pushing a fraudulent notion of fair trade under the rule of the monopolies. The Canadian Steel Producers Association has advanced a "Trade Remedy Modernization" plan.[1] An Ontario Liberal MPP is even

circulating a petition calling on the government to adopt the plan "to ensure fair trade for Canadian Steel." [2] Meanwhile the Trudeau Liberals' federal budget 2016 promotes the mantra of fair trade under monopoly-controlled imperialist free trade.

Following the headline "Strengthening Canada's Response to Unfair Trade," budget 2016 states: "A modern and effective trade remedy system is an important part of the Government's commitment to support Canadian jobs and investment. Fostering the conditions for manufacturing growth and new investment requires open markets both in Canada and abroad, as well as the ability to address unfairly traded goods entering the Canadian market. As part of Budget 2016, the Government is taking steps to improve its ability to effectively remedy dumped and subsidized imports, including through specific legislative amendments. Further, the Government will consult stakeholders to ensure that Canada's trade remedy system offers Canadian businesses the ability to respond to changing global trade conditions."

A search reveals what the steel monopolies mean by "Trade Remedy Modernization." Their plan includes technical changes to the "Data Collection Procedures" for steel entering Canada, changes to the "Procedures and Methodologies" of the Canada Border Services Agency and improvement of its "Enforcement Tools," and certain changes to the "Canadian International Trade Tribunal." The measures entail interfering in the sovereign political and economic affairs of other countries and imposing values and procedures on them to serve the global steel producers active in North America. [3]

The petition and so-called modernization plan do not speak of creating a self-reliant stable Canadian steel industry that can supply Canada's apparent demand for steel with only minimal imports when absolutely necessary if at all. A self-reliant Canadian steel industry would not need to import steel it deems unfairly priced much less interfere in the sovereign political and economic affairs of others. With a self-reliant stable steel industry, the Canadian economy would only import steel if it were of mutual benefit to the exporter and the Canadian economy.

Transporting heavy steel long distances is not economically viable, productive or environmentally sustainable. Within Canada, it would be preferable to have integrated self-reliant steel operations in all five main regions reducing the distance steel is transported.



Most members of the Canadian Steel Producers Association (CSPA) are Canadian in name only as they are subsidiaries of global monopolies. They include ArcelorMittal (India, Europe), Essar (India), Evraz (Russia), Gerdau (Brazil) and an abused U.S. Steel castoff, the former Stelco. They have extensive operations around the world including in certain countries the CSPA often accuses of unfair trade. They are all global steel exporters and certainly would not want a modernization of trade based on mutual benefit and nation-building for trading countries and the development of sovereign self-reliant economies everywhere, which would greatly curtail monopoly right and empire-building and reduce the need for traded steel and its transportation over long distances.

The monopolies' fair trade plan and much of the fair trade talk are meant to strengthen monopoly right and dominance over international trade and weaken any movement towards self-reliance of

independent countries, their sovereign economies and nation-building. The monopolies want to direct the people's concern and even anger towards China, certain other countries and ironically towards their own operations in some of their main producing regions such as India and Russia. They want to divert attention away from those monopoly forces operating right here in Canada that are attacking the rights of workers and blocking the solving of economic problems and the opening of a path towards nation-building.

The Canadian steel industry is completely dominated and controlled by the international financial oligarchy both as owners of equity and debt. The monopolies involved are empire-builders serving their narrow private interests. They are not Canadian nation-builders serving the public interest and the well-being of Canadians. They may say that empire building eventually means something good for Canadians but in reality, such as at the former Stelco and Essar, empire-building is fraught with insecurity and nation-wrecking. The global monopolies do whatever they can to serve their narrow private interests and empire-building, which is in contradiction with nation-building and the public interest. ArcelorMittal, which is often held up as a stable entity, was recently forced by its debt-holders to sell two large steel facilities in the U.S. to a New York investment empire. Essar also is in a global debt predicament posing a grave danger for Canada's economy, the Sault Ste. Marie steel city, and the workers' and retirees' security and well-being.

The CSPA is dedicated to free trade under the domination of the monopolies. Fair trade under monopoly-controlled free trade means trade that favours particular monopolies and owners of great social wealth. It should rightly be defined as imperialist free trade in opposition to the development of viable independent self-reliant economies everywhere that trade for mutual benefit.

For the CSPA, fair trade for steel means trade in steel that favours its members' private monopoly interests for empire-building in opposition to the public interest and nation-building. Their private interests to make money from the production and sale of steel in Canada at prices they demand are in direct contention not only with other global steel monopolies but with companies buying steel. The monopolies in the vehicle, heavy machinery and appliance production and construction sectors for example want to buy cheap steel of a certain quality. They are empire-builders in their own right and could care less about the Canadian steel sector as long as they can obtain steel from somewhere in the world. They want cheap quality steel period and will buy it from whoever offers the best deal. For consumers of steel as means of production, fair trade in steel under monopoly-controlled imperialist free trade means the cheapest steel from wherever in the world. In opposition to CSPA's cries for higher prices, the monopoly consumers want imperialist free trade to supply them with cheap steel from wherever to benefit and grow their particular empires. Along with the CSPA but from a different angle, the monopoly consumers declare just as loudly that fair trade under imperialist free trade is in the best interests of "Canadian jobs and investment."

To call for fair trade under monopoly-controlled imperialist free trade leads to a dead-end of inter-monopoly and inter-imperialist squabbling and worse including war. Such a call diverts the working class away from building public opinion and the organizational strength and independent politics fighting for a self-reliant stable economy under the control of the actual producers with the aim of serving the public interest, the people's well-being and nation-building. Monopoly-controlled imperialist free trade cannot and will never result in fair trade based on mutual benefit to strengthen peaceful development and nation-building in Canada or anywhere else.

Notes

1. The nine member companies of the Canadian Steel Producers Association are: AltaSteel, ArcelorMittal Dofasco Inc., Essar Steel Algoma Inc., Evraz Inc. NA, Gerdau, Ivaco, Rio Tinto Iron and Titanium, Tenaris, U.S. Steel Canada.

2. The Fair Trade for Steel Petition reads:

Whereas the Canadian Steel Industry directly employs over 20,000 workers and their jobs are being seriously threatened by the dumping of foreign steel.

Whereas Trade Remedy Modernization is urgently needed to create Fair Trade for Canadian Steel.

We the undersigned petition the Government of Canada to immediately adopt the Canadian Steel Producers Association's Trade Remedy Modernization plan to ensure fair trade for Canadian Steel.

3. [Canadian Steel Producers Association Trade Remedy Modernization](#).



To Whom Should Steelworkers Entrust Their Fate?

The short answer to this question would be themselves, as no one else has proven reliable or trustworthy. Why should steelworkers, and salaried employees for that matter, entrust their fate to the monopolies of the Canadian Steel Producers Association (CSPA) and their political representatives? The CSPA says the biggest problem facing the Canadian steel industry lies in China not in Canada. Its position is pretty funny. Workers in Canada have precious little power over political affairs in this country let alone with Chinese political affairs. How about a CSPA plan calling for democratic renewal in Canada and the guarantee of workers' rights including the fundamental modern right to be political and to control those affairs that affect the people and their well-being and security, including a vigorous self-reliant steel sector serving Canada's apparent need for steel.

The CSPA says the answers to problems in Canada's steel industry are found by interfering in the sovereign affairs of other countries telling China, India, Russia and others how to conduct their affairs and specifically how to price their steel and what that price should be. Workers in Canada shake their heads in disbelief at this suggestion as they have no power over most everything including the price of steel. In fact, CSPA and others who share the class privilege of owning and controlling great social wealth say prices should be determined by some mysterious invisible hand called the market and not by human beings at all, which presumably includes steelworkers. Of course, monopoly right can overrule the mysterious hand and directly control prices to serve a particular purpose but always with a wink and complete denial and subsequent swearing of allegiance to the almighty market.



Why should steelworkers and others tell the Chinese how to price their steel when Canadians are not allowed to tell the steel monopolies and buyers of steel here in Canada what the price should be, even though a modern formula for determining prices of steel and other production exists? The formula could very clearly determine a price of production for steel that would allow companies an

average profit but the CSPA and their political representatives do not want such a scientific determination for prices. They want some self-serving fantasy market to determine the price but when the market price is too low, they find some whipping boy in China or elsewhere whom they accuse of manipulating prices. How self-serving and deceitful. These characters hate the low steel prices but they and others in the ruling elite sure love the low prices for commodities from China, India and elsewhere found in Wal-Mart and other monopoly retailers and suppliers of products they use in their businesses.

Instead of dealing with economic problems in Canada and the issue of control and sovereignty and building a self-reliant stable economy, which can exercise conscious control over prices and other crucial features of a modern economy, the monopolies of the CSPA want us to direct our energies towards forcing changes in China of all places. It wants Canada and others within the U.S. imperialist block to impose on China and others a direction serving U.S.-led empire-building. The CSPA wants to force Chinese steel producers and exporters to determine prices of steel commodities according to the demands of the CSPA and not according to China's own politics and what their history and leaders determine serves their own needs and direction. Chinese producers are not forcing Canadian buyers to buy the steel that CSPA insists they are giving away for almost nothing. But even in this, CSPA cannot find that much support because those monopolies here in Canada and the U.S. that buy steel enjoy and adamantly support the low prices. Several monopolies like Wal-Mart have built empires selling low-priced goods from developing countries that are fleeced of their produced value.

So where does this demand for fairness under imperialist free trade leave Canadians? Do we sign petitions calling for war to impose our prices and values on others so that prices and other things will suit the private interests of those possessing class privilege? How about instead we start with those things that Canadians can exercise some control over rather than the price of tea and other goods in China. How about dealing with our own problems of building a steel industry here that meets the economy's apparent demand for steel and stop this deceitful campaign of interfering in the sovereign affairs of others. How about building a public wholesale sector that can exercise some public control over what basic prices should be and what goes out of the country and what comes in, rather than leave such important matters to the monopolies and their narrow private interests.

At the very least steelworkers cannot entrust their fate to the CSPA and its politicians. In fact, steelworkers should entrust their fate to themselves and build confidence in their own political capabilities, thinking and organizational strength. Only by entrusting politics to themselves can steelworkers march forward on a path of building a sovereign steel economy within a nation-building project that they control, which puts the public interest in pride of place and upholds the modern principle that the economy must first and foremost serve the well-being of the people and be the material guarantee of their rights.



Nation-Building Demands Restricting Monopoly Right and Empire-Building

The Canadian Steel Producers Association (CSPA) does not recognize the Canadian economy as independent from the U.S. empire. It views the Canadian and Mexican countries and economies as subordinate to a United States of North American Monopolies. Within this empire-building arrangement the Canadian people do not control their economy and have few levers to exercise any

pressure or remedies when it comes to solving problems.

The impotence of the *Canada Investment Act* in the face of U.S. Steel's open defiance of its commitments under the federal act after it bought Stelco reveals the lack of control even official Canada has over the country's fate and economy. Also, the monopolies use bankruptcy protection under the *Companies' Creditors Arrangement Act* to attack the rights of workers and defy the rule of law and long-held arrangements including collective agreements. The dominance of monopoly right over public right, and empire-building over nation-building is a crucial issue to be resolved in the lives of Canadians if problems are to be solved and a path opened to a bright future.



Monopoly-controlled free trade is a big weapon of empire-building to control sovereign economies, smash nation-building, attack the rights of all and exercise an open dictatorship over the peoples. The CSPA website gloats of its members' power under imperialist free trade and looks to strengthen their domination by extending free trade to other regions. The CSPA website states:

"The steel sector is an integral part of supply chains that underlie the integration of the North American industrial economy.... Starting with the initial Canada-United States Free Trade Agreement in 1988, and followed by the North American Free Trade Agreement (NAFTA) which came into effect in 1994, Canada's steel industry has played a significant role in the evolution of North American free trade since then.... Many producers [within CSPA] have facilities in two or three NAFTA countries....

Recognizing the strategic value of steel production to the NAFTA region, in 2003 the three NAFTA governments created the North American Steel Trade Committee (NASTC) to coordinate government and industry actions to jointly enhance the conditions for continued growth and prosperity for steel in the region. As leaders of the three countries have agreed, the NASTC underlies '**a strategic partnership for a strategic industry**'... Canada is building on the foundation established by NAFTA, with the recent Canada-U.S. 'Beyond the Border' joint declaration of a shared vision, to achieve even greater economic efficiencies that will strengthen North American industrial competitiveness vis-à-vis other trading regions."

Within this monopoly-controlled free trade vision and movement, Canada is not an independent nation but part of a "trading region," a U.S.-led empire that is establishing imperialist free trade relations with Europe (CETA) and the Asia-Pacific (TPP). This means in practice that the Canadian economy serves the needs of the most dominant monopolies and their empire-building to meet their narrow private interests in contradiction with nation-building to serve the broad public interest and well-being of the people. The people are gravely restricted from any control over those affairs that affect their lives, well-being and security.

The CSPA and the Trudeau Liberals' fair trade remedy measures within imperialist free trade have nothing modern about them. A modern approach includes a public authority over the wholesale sector to determine prices of production and exercise public control over exports and imports and

their prices. This demands country-to-country bilateral trade for mutual benefit and not monopoly to monopoly or monopoly to a dominated country's economy within an imperialist free for all without restrictions where might makes right, especially U.S. military might.

International trade based on mutual benefit and development serves nation-building. It deprives the monopolies and empire builders of their control and domination over sovereign economies but this requires a public authority overseeing trade and prices in which the people have confidence and can exercise oversight and control.

To uphold public right and control over the sovereign economy, a public authority must have the power to curtail monopoly right and the movement of goods into and out of the country. Otherwise, the people and their rights are subject to open abuse by the most powerful global monopolies and their empire-building within the imperialist system of states. At this point in history dominated by monopoly right, the people have no chance to exercise any control or have any say over what leaves the country or enters it unless they step up their organized movement for public right. Through organized actions with analysis the people can curtail monopoly right, bring about democratic renewal in politics and open a path forward so that they have a say and control over those matters that affect their lives within a grand nation-building project.



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Website: www.cpcml.ca Email: editor@cpcml.ca