UNITED STEELWORKERS
USW
UNITY AND STRENGTH FOR WORKERS

Thomas M. Conway
International President

January 6, 2022

Via Email
U.S. Senate
Washington, D.C. 20510

U.S. House of Representatives
Washington, D.C. 20515

RE: United Steelworkers opposes efforts to undermine retaliatory tariffs, such as Section 301, 232, and other duties.

Dear Senator/Representative:

The United Steelworkers union (USW) is the largest industrial union in North America. Our members work in virtually every sector and subsector in manufacturing, and as a result, they have experienced firsthand the impact of foreign unfair trade practices and non-market policies. We fought for decades to level the playing field, all too often resorting to filing trade cases because we were unable to rely on our own government to enforce the rules it negotiated or the agreements it reached, or to effectively implement the necessary remedies.

Against this backdrop it is especially galling to hear calls to lift retaliatory tariffs like those that were imposed under Section 301 of our trade laws to protect against Chinese intellectual property theft or under Section 232 that safeguard our national security and critical infrastructure. Efforts to undermine enforcement actions under the guise of addressing inflationary pressures or to give importers increased access to foreign supplies, which are all-too-often unfairly traded, are an insult to workers and their employers in the impacted sectors who work hard, play by the rules, and simply expect their elected leaders to stand by their sides.

As outsourcing and offshoring have become ever more commonplace over the past two decades, our members witnessed the hollowing out of their communities as wages were depressed and jobs disappeared. For example, at a Select Committee on Economic Disparity and Fairness in Growth field hearing in October 2021, USW member Rick Cain testified that Chinese import competition alone may explain one-quarter of the aggregate drop in the U.S. manufacturing workforce between 1990 and

2007.[1] The negative impact of these trends on our economic and national security are undeniable. We must reverse course and ensure that more of our own needs can be met by producers here at home. This requires sensible industrial policy, strong domestic investment, and federal trade policy, which reduces incentives to arbitrage global labor and environment standards.

In recent weeks, public comments and communications by a few elected representatives and importers have shown a disregard for the common-sense policies that were implemented to address unfair trade practices, massive global industrial overcapacity, and other forces that have undermined our own interests. Some have called for lifting Section 301 tariffs against China claiming they contribute to inflation.

Yet many of these tariffs have been in place for years, which means they are clearly not contributing to current inflation spikes. In fact, federal revenue collected from the steel and aluminum 232's has declined since implementation in 2018.[2]

Calls by special interests like the retail community to reduce tariffs to relieve short-term price pressures belie the fact that the total value of U.S. tariffs collected since 2018, including the 232, 301, and other duties, was about half of the gross profits of one domestic-based company (Amazon) during the same period.[3,4] If prices are the problem, corporate profits should be the first target for action, not undermining the job prospects for hard-working Americans. To put an even finer point on why tariffs collected are an insignificant factor on inflation, the increased wealth of eight individuals – Jeff Bezos and the Walton family – in 2020 was one-third higher than total duties collected by the U.S. government.[5]

USW takes very seriously efforts to dismantle, destroy, or denigrate existing trade remedy measures that protect American manufacturers, workers, and communities. We will fight for our members' jobs. Just as we will happily work with those among our political leaders who consistently fight on the side of working Americans, we will hold those on the other side accountable for their efforts to harm our manufacturing sector and the communities that rely on it.

Sincerely,

Thomas Conway

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[1] https://m.usw.org/news/media-center/articles/2021/october/21-10-18-Testimony-of-Richard-Cain-on-Renewing-Prosperity-in-the-Industrial-Heartland.pdf
[2] https://sgp.fas.org/crs/misc/R45249.pdf (page 20)
[3] https://www.macrotrends.net/stocks/charts/AMZN/amazon/gross-profit
[4] https://www.cbp.gov/newsroom/stats/trade
[5] https://www.brookings.edu/essay/windfall-profits-and-deadly-risks/