



2017 USW Constitutional Convention RESOLUTION

Resolution No. 11

International Trade

WHEREAS, 75 years ago in 1942 when North America's steel, tin and iron workers united to form what was to become today's United Steelworkers, our world was at war and our members were working to provide the materials to defeat the Axis; and

WHEREAS, as the result of the war and the desire for better global integration and shared prosperity the post-World War II international trading system was forming with the establishment of the General Agreement on Tariffs and Trade (GATT) in the late 1940's with the purpose of the "substantial reduction of tariffs and other trade barriers and the elimination of preferences, on a reciprocal and mutually advantageous basis" that would eventually become today's World Trade Organization (WTO); and

WHEREAS, from 1942 until the early 1960's, workers in our growing union and across North America provided the materials not only to reconstruct our war-devastated allies but to build our own infrastructure; and

WHEREAS, due to this massive demand, our union continued to grow over the years and grew further in diversity through mergers, becoming the representative of workers making products exported around the world. At this time in history, the North American economy ran a trade surplus with the rest of the world; and

WHEREAS, the conversion of that trade surplus into a massive trade deficit started with steel. In 1962, steel imports into the U.S. exceeded exports for the first time when world demand began to slow and steel prices began to drop. From 1961 to 1968, steel imports increased 600 percent, taking 16.7 percent of the U.S. market and steelworker jobs with it; and

WHEREAS, in 1968 USW's then-President I.W. Abel first sounded the alarm with government policy makers and continued over the next several years to testify before Congress while the USW pursued Congressional and government help to deal with the flood of subsidized imports; and

WHEREAS, in 1973, then-President Abel in a tragically prophetic statement still applicable today, told Congress: *"There is no remaining question that this nation's*

misguided and misapplied foreign trade and investment policies have gotten the American worker, the American consumer, American business –in fact the whole American industrial society -- into deep trouble.” ; and

WHEREAS, in Canada the steel industry, once a proud Canadian industry which provided hundreds of thousands of Canadian families with a middle class income, has been allowed to be sold to international corporations that have no demonstrated interest in Canadian workers or communities to the point where there are no remaining Canadian steel companies; and

WHEREAS, successive Liberal and Conservative Canadian federal governments have refused to protect the Canadian steel industry or Canadian manufacturing by improving and enforcing laws to ensure that foreign investment in the Canadian economy truly provides a net benefit to Canada, Canadian workers and communities; and

WHEREAS, the USW in Canada has led the fight to protect the Canadian steel and manufacturing sector by insisting on fair foreign investment laws and a national manufacturing strategy that would create and protect jobs and steel and manufacturing across Canada; and

WHEREAS, this message has been forcefully delivered and repeated by USW's membership and leaders to the U.S. Congress, the Canadian Parliament and to every American President, Canadian Prime Minister and political candidate throughout the terms of Steelworker President's Lloyd McBride, Lynn Williams, George Becker and Leo Gerard; and

WHEREAS, these shared sentiments illustrate the long, bruising battle the USW has fought and continues to fight today to save North American manufacturing and jobs against well-funded opponents that include free traders, multinational corporations and countries that overproduce and illegally subsidize and dump their exports to the detriment of our jobs; and

WHEREAS, as USW's membership broadened, so too the ill effects of unfair trade expanded beyond steel to other trade impacted industries, to our families and communities, and now to public sector and service workers across North America, activating broad and wide opposition to unfair trade today; and

WHEREAS, this decades long activism and advocacy for fair trade resulted in wins and losses for workers – while the tide of unfair trade continues to grow. In the 1960s and again in the 1980s USW and industry's push for relief from imports resulted in Voluntary Restraint Agreements (VRAs) with some of the largest steel exporting countries. While these measures helped, the government didn't go far enough and it was not enough to save the steel industry and job loss continued while the U.S. began negotiating both multi-lateral and bi-lateral trade agreements with other countries; and

WHEREAS, in frustration with the slow and ineffective response of Congress and Presidents in the US, in the 1980s the United Steelworkers began using the trade laws to try to save our jobs and continues to do so today, filing and participating in more than 80 trade cases, saving industries and jobs; and

WHEREAS, in Canada since the 1980s the USW has been a strong advocate for better trade remedy laws which would prevent the illegal dumping and subsidizing of imported goods into Canada and would allow trade unions to fully participate in trade remedy cases as they do in the U.S., the EU and Australia; and

WHEREAS, the relentless 20-year long Wall Street and Bay Street corporate-driven push to increase globalization and the persistent negotiation of free trade agreements that further tilt the playing field against U.S. and Canadian workers continues to inspire Steelworkers to fight for fair, not free trade; and

WHEREAS, this nation-wide and working-people-driven activism against the effects of unfair trade began in the 1990s when Steelworkers led the opposition and rallied with all walks of civil society and marched in Seattle and derailed a negotiating round of the newly-formed World Trade Organization (WTO), fought NAFTA and have continued to point out its flaws for the past 20 years, fought Fast Track for trade agreements many times, stopped the Free Trade Area of the Americas in its tracks and then fought China PNTR which let the country join the WTO, fought CAFTA and a host of other smaller bi-lateral agreements; and

WHEREAS, USW members and leaders began generating opposition to the Trans Pacific Partnership (TPP) when negotiations began in 2009 and have rallied and protested and engaged in education and activism to increase opposition over the past seven years, with USW alone in 2016 sending over 350,000 postcards to Congress, having at least 1,500 meetings and visits to Congressional offices and tens of thousands of additional letters, petitions, phone calls and other actions, which helped kill the TPP in 2016 and led to the formal withdrawal in January of 2017; and

WHEREAS, our trade fights are not over as there are other equally flawed trade agreements still being negotiated today that have not captured the attention and opposition equal to the TPP, but have the potential to be just as damaging to American workers such as the Environmental Goods Agreement (EGA) which has the potential to eliminate tariffs on a wide range of raw materials and manufactured products; and the U.S. China Bilateral Investment Treaty (U.S.-China BIT) which will allow further unfettered investment by the Chinese government in the U.S. and more investment by U.S. companies in China. New bilateral agreements are also being talked about such as the ones that have been proposed with Britain and Japan; and

WHEREAS, in Canada the USW led the fight against NAFTA and the FTAA, and USW members and leaders have actively campaigned against every bad trade deal signed by the Canadian federal government, including free trade agreements with Chile, Peru, Jordan, Central America, the Caribbean and South Korea. The USW led a

particularly lengthy campaign to oppose Canada's trade agreement with the murderous regime in Colombia and the Union continues to pressure the Canadian and Colombian governments to improve the abhorrent human rights record of the Colombian government. Most recently the USW has led opposition to the TPP in Canada and has worked with allies across Europe through Workers Uniting to oppose the FTA between Canada and the European Union (CETA); and

WHEREAS, these agreements are explicitly designed to provide greater protection for private capital to engage in outward investment, than to promote domestic production, exports and jobs; and

WHEREAS, more than a million jobs have been displaced by NAFTA and other similar free trade agreements. Repealing or replacing NAFTA must be focused on reclaiming those lost jobs, restoring our standard of living and improving the lives of workers in all three countries. We must fight for vastly improved labor rights and environmental standards in Mexico if we are to stem the flow of U.S. and Canadian jobs to Mexico. Strong provisions to forbid currency manipulation must be part of the new NAFTA. Negotiators must hold out for robust provisions to enhance domestic content so workers in all three countries can benefit and shut the door to Chinese products that come in through Mexico because of the current weak rules of origin. Negotiators must deal strictly with state-owned companies that have an unfair competitive advantage, and preserve national sovereignty for programs and preferences that enhance domestic manufacturing while preserving important tariffs and regulations that protect our health, safety and environment; and

WHEREAS, trade agreements are not the only reason for the problems our countries face with the loss of our manufacturing power. In the U.S. a lack of adequate resources for effective enforcement of our trade agreements, trade laws and the agencies that monitor international trade and commerce results in rampant cheating and massive dumping of unfairly produced goods into our market, costing American workers and USW members their jobs, while letting our trading partners that continue to abuse worker and human rights and decimate the environment to do so with relative impunity; and

WHEREAS, the major source of our ever-increasing trade deficits and resultant job losses is China's predatory and protectionist trade policies. China is now the world's second largest economy and is projected to end the United States' 146-year run as the world's largest economy sooner than expected; and

WHEREAS, China's concerted and deliberate illegal actions benefit its exporters and its people at the expense of its trading partners' jobs and industries. These actions include:

- Extensive subsidies to Chinese exporters, including indirect subsidies such as low-priced inputs, power, land and credit, and direct subsidies such as tax rebates and cash payments.

- Dumping of goods in the North American market at prices below production costs.
- Massive overproduction of steel, paper, aluminum, tires, glass and other products that far exceed China's own and the world's needs. Overcapacity in these products is devastating not only North American industries and workers, but industries and workers in countries around the globe.
- Espionage that steals intellectual property to try to weaken their American competitors and the outspoken voice of the USW whose action has been critical in keeping our policy and lawmakers aware of China's illegal practices.
- Manipulation of the value of its currency so that it is artificially low, making Chinese exports to North America dramatically cheaper than they should be, and North American exports to China more expensive than they should be.
- An array of import barriers, both overt (such as tariffs) and covert (such as opaque licensing procedures), which further reduce the sale of North American finished goods in China.
- Extensive human rights abuses, including the denial of the right to form unions, to protest or to bring employers to court, which operate to keep workers oppressed and wages low; and
- Terrible health, safety and environmental practices that see thousands of workers killed every year and the unprecedented degradation of the environment.

WHEREAS, many large North American industrial employers are fully complicit in the decline of industry in the U.S. and Canada and have helped to fuel the growth of China and other countries that don't play by the rules at the expense of their own countries. These companies have taken advantage of unfairly low wages, unsafe working conditions, weak environmental laws, and exporter subsidies to sidestep import barriers by moving production to China and elsewhere; and

WHEREAS, more than half of China's exports come from foreign invested entities, including the China-based operations of American and Canadian companies, where access to the Chinese market is usually conditioned on technology transfer or in-country research and development, further eroding North America's competitive advantage in advanced products; and

WHEREAS, USW's continued pressure on government and Congress led to job saving actions in the U.S. such as our hard-fought battle to get the government to enact protective tariffs in 2009 on passenger vehicle tires from China with the Section 421 Tire Safeguard case, the institution of a Global Forum on steel overcapacity to bring China

to the bargaining table to cut its overproduction of steel in 2016 and the most recent filing of a suit against China at the WTO by the U.S. government on its overproduction of primary aluminum in December of 2016; and

WHEREAS, in Canada federal government is openly discussing a free trade agreement with China and is actively considering lifting China's status as a Non Market Economy, further endangering the Canadian economy as well as Canadian jobs and communities; and

WHEREAS, China's newest offensive to dominate the world economy is through direct investment in Canada and the United States and other countries. Buying up resources and raw materials, icons of the free market like the Chicago Stock Exchange, and industries where our members work such as in aluminum. The threat posed by these acquisitions is more than to just our national security, but extends to the potential influence these purchases will provide another country over our national and local politicians; and

WHEREAS, USW has relentlessly pursued national policies to maintain and grow a healthy manufacturing base over the last three decades. With no purely domestic advocate for manufacturing in the U.S., the USW created an innovative strategy to fund with some of our larger U.S. manufacturers, the Alliance for American Manufacturing (AAM). For over 10 years, AAM has widely amplified the USW's message that manufacturing is necessary for a strong middle class and a thriving economy; and

WHEREAS, the USW in Canada has pursued alliances to protect Canadian manufacturing, and to ensure that Canada protects value-added jobs rather than just exporting raw natural resources such as logs and iron ore. The USW works with organizations such as the Broadbent Institute and the CCPA to highlight the risks posed by bad trade deals and the current federal government's desire to expand trade with China; and

WHEREAS, USW is the largest industrial union in North America, representing workers producing a wide variety of trade impacted goods, such as steel, pipe, chemicals, paper products, plastics, auto parts, tires, rubber, glass, and many other industrial and consumer products. Because our members have suffered disproportionately from unfairly traded imports and the offshoring of production and manufacturing jobs, USW has been at the forefront of the fight for fair trade in both Canada and the United States. Through public pressure and through concrete action, the USW has been a leader in the fight to level the playing field to ensure the rules are enforced so that our members and their industries have a fighting chance.

THEREFORE, BE IT RESOLVED that:

- (1)** The USW reaffirms its commitment to leading the fight against unfair trade policies and the trade agreements that so deeply affect workers both in North America and around the globe.
- (2)** The USW will continue to work with its allies both in North America and in other countries around the world to advocate for “fair trade” standards so U.S. and Canadian workers share in the benefits of international trade while including protections for human and labor rights and environmental values. With these tools, trade agreements can have the effect of raising living standards and human rights records among trading partners and reduce the incentive to move production to countries with the lowest standards.
- (3)** The USW will continue to call for trade agreements and policies that will benefit North American workers, not just multinational corporations, and create and maintain jobs here in North America.
- (4)** We reassert our belief that trade can only truly benefit society when the interests of citizens are given higher consideration than the interests of corporations. USW will also continue the fight to ensure that trade agreements are implemented in a manner designed to enhance our economic competitiveness.
- (5)** The USW maintains that workers’ rights are human rights and until workers in all countries have the right to organize and collectively bargain, corporations will continue to exploit them, and the mass exodus of jobs from the U.S. and Canada will continue. USW will also join with our brothers and sisters in Workers Uniting to push trade negotiators in the U.S., Canada, and the European Union to allow the participation of U.S. and Canadian workers in the European Works Councils of our common employers as only workers in the U.S. and Canada do not have a seat at the table.
- (6)** The USW will continue to monitor the effect of illegal trading practices by countries that export to the U.S. and Canada and we will use all available legal avenues to expose and stop these illegal practices and make the affected workers whole. The USW will also continue to fight to maintain and strengthen existing trade laws.
- (7)** The USW will advocate vigorously for reforms to the Investment Canada Act to ensure that foreign investors are required to maintain jobs and production in Canada as conditions for permission to invest in Canada and take over Canadian companies.
- (8)** The USW will continue to advocate for changes to Canadian trade remedy laws to allow workers and their unions to initiate and participate in actions to enforce trade agreements and regulations and to ensure that trade remedy laws are truly effective to prevent the illegal dumping of foreign goods into the Canadian market.

- (9)** We remain committed to seeking legislative and political solutions to spur our governments to action on the anti-competitive practices of other countries and will constantly look for new ways to force China and other countries to adhere to fair standards with regards to trade.