

"Back off, or else..."

Bush repeals tariffs on imported steel under threats of a global trade war

[Fadhel Kaboub](#) Dec . 08 . 2003

Less than a month after the WTO's ruling against U.S. steel tariffs, and under serious threats of retaliation from the European Union and China, President Bush finally repealed the so-called temporary steel safeguard measures he put in place in March 2002.

The European Union announced that it will drop its \$2.2 billion sanctions against the US. China and Japan are also expected to follow suite.

"The U.S. steel industry wisely used the 21 months of breathing space we provided to consolidate and restructure," said President Bush. "The industry made progress increasing productivity, lowering production costs, and making America more competitive with foreign steel producers," he continued.

"This is an excellent thing. We are glad that the president has decided to respect the rules of the World Trade Organisation," said Christian Mari, director of Eurofer, the European steel lobby.

Bush said that he is "pleased" that the industry has seized this opportunity "to regain its competitiveness and assist steelworkers and their communities." He also claimed that "U.S. steel companies are now once again well-positioned to compete both at home and globally."

The United Steelworkers of America (USWA) have strongly condemned President Bush's decision to lift steel tariffs as "clear evidence of capitulating to European blackmail and a sorry betrayal of American Steelworkers and steel communities."

Leo W. Gerard, President of USWA, accused Bush of "rushing to appease the Europeans and Japanese," he continued by saying that "Mr. Bush willfully ignored the fact that damage to the American steel industry and American steel communities continues to this day, even with the tariffs in place."

Mr. Gerard said that America's trading partners have engaged the U.S. Administration in a "game of guts poker," but "instead of telling them to 'bring it on,' the President blinked," said Gerard.

US Trade Representative Robert Zoellick said, however, that the decision to repeal the steel tariffs had been made independently of the EU retaliation threat.

"The President's complete lack of mettle in calling the WTO's bluff ignores the continuing damage being done," said Gerard. "His unwillingness to defend U.S. trade laws is an affront to all American workers, but it's especially insulting to workers at Weirton Steel in West Virginia, Rouge Industries in Michigan, WCI Steel and Republic Engineered Products in Ohio, and EVTAC Mining in Minnesota, all of whom have seen their companies go bankrupt while the tariffs have been in place," Gerard continued.

The USWA finds Bush's weakness to stand up against the Europeans of special concern especially that "the Europeans have not even agreed to lift the safeguard protections on their steel markets that were imposed in the wake of U.S. tariffs being implemented," said Gerard.

President Bush made a very prudent move by avoiding a damaging global trade war, but the

timing was not convenient at all given the considerable weight the steel industry and steel workers have during presidential elections in some key steel-producing states. This might cost him the reelection in 2004.

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