

# Tariffs: capitalist competition & class warfare

written by Lallan Schoenstein  
June 16, 2019



Auto workers have a right to the jobs they created.

As the June 28 economic summit of the G20 in Osaka, Japan, approaches, President Donald Trump is stepping up threats of tariffs and technological sanctions against China that could trigger a sharp global downturn. The G20, or Group of Twenty, includes the world's major capitalist economies, the European Union and China.

[Morgan Stanley, a U.S. investment bank, sees global recession](#) “if the U.S. imposes 25% tariffs on the remaining circa \$300 billion of imports from China.” The International Monetary Fund warned that tariffs against China [would reduce global gross domestic product drastically](#). While the Federal Reserve Bank in New York City estimates that at their current levels the tariffs could raise prices and [cost typical households in the U.S. \\$831 over the course of a year](#).

### **Imposing military hegemony**

One aspect of the U.S. trade war against China is its attack on the high-tech company Huawei and its 5G wireless network. The globally organized campaign against Huawei by the U.S. represents an effort to stifle Chinese technological development. It is also an attempt to impose strategic military hegemony. Wen Lu, a rates strategist at TD Securities, [told the New York Times](#) that “Trump is willing to weaponize tariffs ... to reinforce his stance against China.”

The current U.S. administration is using protectionism and belligerent threats of tariffs against many countries, in a fight to maintain dominance in the exploitation of world markets.

On June 11, [the New York Times published reports](#) that the trade war is already doing harm slowing global growth and that could ultimately trigger a recession. [Fed officials are signaling](#) that they are prepared to prop up the U.S. economy by cutting interest rates. This action from the Fed, a government body that is touted to be

nonpolitical, is seen as encouragement allowing more leeway to carry out an aggressive trade policy.

### **Trump's war on im/migrants**

The belligerence of Trump's tariff threats took a new, nontrade form against Mexico. These threats were used to try to force the Mexican government to extend Trump's vicious war against Central American im/migrants. While the threats should not be underestimated, they were quickly dropped. According to the New York Times on June 10, the secret deal that Trump announced with great fanfare consists largely of actions that Mexico had already promised to take.

It may be that the real reason the tariff threat was dropped was widespread opposition to them because of the fear of the potential devastation that the tariffs would cause within the U.S.

Laura Carlsen, director of the Mexico City-based Americas Program of the Center for International Policy, [said on DemocracyNow!, June 5](#). "The industrial and trade associations, from the Chamber of Commerce to the National Association of Manufacturers, and the others that you mentioned are immediately rushing to Washington to begin lobbying and saying, 'You've got to be kidding. You know, this is — these are our livelihoods that you're talking about.' Vertically integrated supply chains, especially in the automotive industry, that rely on Mexican parts, and their costs will automatically increase."

[GM imports 29 percent of its components from Mexico](#). The U.S. auto industry can't sell cars at higher prices as wages continue to slide.

### **Tariffs killing union jobs**

The leadership of the autoworkers' union, the United Auto Workers, has backed Trump's trade policy: "The UAW believes that tariffs are a tool. ... We hope the

administration will ultimately take a measured and targeted approach to bolster domestic manufacturing,” said UAW Legislative Director Josh Nassar.

The UAW leadership continues to support the trade war, even as GM announces that it is shutting down four U.S. factories.

The industry has announced 19,802 workforce reductions this year through April. That’s more than triple — up 207 percent — the 6,451 jobs cuts announced during the same time last year, and the most for the first four months of a year since 101,036 cuts were announced through April of 2009, [according to data provided by Challenger, Gray & Christmas](#).

The impact of the U.S. tariffs on China is having “a trickle down effect.” “Jobs cuts are likely to continue, especially with the implementation of additional tariffs on Chinese goods,” Challenger added.

The UAW should be organizing union members to defend their jobs. It should not be supporting Trump’s tariff policies. Autoworkers built the industry, including the machinery they use to assemble the cars. They have a right to the jobs they created.

Vannice Boyles, 57, of Ypsilanti, Mich., who works at Faurecia, referred to as the old Ford Saline plant, [told the Detroit Free Press](#): “When you look at the job closures, there were no real answers towards how they will assist us,” he said after a closed meeting in March with Robert Lighthizer, U.S. trade representative, and the UAW officials.

## **Role of tariffs**

When writing about the mercurial rise of Northern manufacturing after the Civil War, W.E.B. DuBois in his book “Black Reconstruction,” writes about the issue of tariffs and protectionism that were helping to enthrone industrial capitalism in the U.S. Dubois suggests that a union between the abolitionists, the freed African

Americans, together with labor, and poor white farmers could have empowered a real democracy, enabling those workers and oppressed to challenge the industrial oligarchy.

“The current struggle in the United States over free trade can perhaps be better understood when seen in the perspective of the Civil War,” [Marxist analyst Sam Marcy wrote](#).

“In the very early days of the United States, tariffs and duties were imposed primarily to raise revenue to finance the government’s expenditures, which aided the infant industries of the U.S. Later, prior to the Civil War, these same practices were directed at holding back a flood of cheap manufactured goods from abroad that otherwise would have undermined the progressive growth of U.S. industry.

“In the epoch of monopoly capitalism, all of these devices are calculated to bolster monopoly superprofits and envenom national strife. They play a regressive role,” Marcy concludes.

Today, the global capitalist system is based on imperialism and war. The corporate giants with their vile reactionary politicians are using protectionist measures which constrict the great productive forces of humanity. Tariffs are an attempt to save the wealth of the 1% at the expense of everyone else.

