

By Andrew Collier

IN A DRAMATIC GESTURE, workers from the closed Houston Works of Armco, Inc., signed a 10-foot long steel petition trucked to Washington last spring to galvanize support for import protection for the American steel industry. Their flamboyant action was one of many designed to convince the American public that the decline of the nation's steel industry could be blamed on foreign imports, but the unemployed steelworkers and the steel firms failed to get Congress to pass the Fair Trade in Steel Act.

A key part of the union-industry strategy is the claim that imported steel was frequently subsidized by foreign governments and was therefore unfairly traded. "Over the past 15 years, foreign governments have provided \$40 to \$50 billion of subsidies to their steel industries," the American industry's lobbying group, the American Iron and Steel Institute (AISI), saw in response to a congressional study. "Foreign governments have permitted inefficient and unprofitable firms abroad to expand steel production and upgrade existing facilities, while sustaining massive losses, thus contributing to the present overhang on the market of at least 200 million tons of excess capacity outside the U.S.," AISI concluded. Only the U.S. industry has a free-market in steel, they said.

The subsidies issue has been thrown up by the big American steelmakers as a cloud behind which they have pressed for protectionist action while they hid their own inefficiencies. The issue has also allowed them to tout the advantages of a free market in steel, even though it has not existed in this country for years, if ever, and which internationally has been more free for some countries than for others.

The issue of protection for the steel industry was spotlighted by a recent Reagan decision. In January, Bethlehem Steel Corp and the United Steel Workers filed for import protection under Section 201 of our trade laws, better known as "the escape clause." The "escape clause" allows an industry where imports are "a substantial cause of serious injury" to receive import protection, ostensibly to give the industry time to modernize or restructure. Only if imports are a more important cause of an industry's decline than any other can protection be granted. This in part explains the steel industry's eagerness to blame their troubles on foreign subsidies.

Protection under the "escape clause" was granted October 18 by President Reagan, although its extent will not be decided until negotiations are concluded between the U.S. and steel exporters—particularly the newly industrialized countries like Brazil and Korea—on so-called "voluntary restraints." There have been hints from industry insiders that Reagan made a promise to the chairman of several steel companies to curb imports sharply.

What is the cause?

How accurate is the industry's position that their troubles have been caused by imports? Some 45 percent of world steel production is state-owned, according to the Office of Technology Assessment, an arm of Congress. But not all state-owned steel production is subsidized, nor is it necessarily the cause of the American industry's decline.

Paula Stern, a former Brookings Institute scholar and current chairperson of the ITC, was one of the two dissenting votes on the Section 201 case. In explaining her negative vote, she cited a list of industry problems, only one of which was imports. These included a decline in demand and the growing use of aluminum and plastic; a non-competitive cost structure exacerbated by escalating wage rates; a reliance on expensive raw materials; competition from new low-cost mini-mills that use scrap steel instead of iron; environmental costs; an over-valued dollar; and, last, imports. She agreed that "this industry has had more than its share

of problems with unfair imports. But the industry has successfully obtained the appropriate available relief [subsidy and dumping cases]." She concluded that "if import relief is the sole focus for solving the steel industry's problems, this industry and nation are marching down the road to obsolescence."

Her word is not the last on the issue, but her statement suggests that the industry is spending more time convincing the public of the need for protection than it is on fighting to improve its competitive position in an increasingly global market.

One of the main arguments used by the industry in its battle for protection is that it is operating in one of the few free markets in the world. The industry's reasoning was summed up by David Roderick, chairman of U.S. Steel, in hearings before Congress. Roderick said, "Despite heavy losses year after year by these government-sponsored steel industries, the market system has not been allowed to work its will" and drive these firms out of business. The U.S. industry, therefore, needs protection from "unfairly traded" steel. This argument doesn't hold water. For one thing, the American steel industry has had protection to one degree or another for years. In addition, the assumptions of free-trade are not always applicable to developing countries.

"We're not operating in a neo-classical world, if we ever were," said Michael Borrus, deputy director of the Berkeley Round Table on International Economics, in an interview. Free trade in neo-classical terms assumes that every country has a fixed supply of capital and labor, and that technology is freely available. But many developing countries are dependent on advanced countries for technology, and are not content with the little capital they have. Without foreign resources, these countries must rely on cheap labor and raw materials as their comparative advantage. This is not to say there is no money to be made using low-cost labor and local raw materials. The

PERSPECTIVES

Steel industry's cries of 'foul play' ignore basic realities

big money, however, lies in industrial goods that require large amounts of capital and advanced technology. Steel, particularly steel made of unusual alloys, is one such good. Developing countries sometimes require state intervention to get their industries going. The new steel producers are overcoming disadvantages in capital and technology they faced in the past, and have just begun to establish themselves in the world steel trade.

Peter Evans, a Brown University sociologist points out in his book *Dependent Development* that Brazil, which now ranks sixth in total imports into the U.S., had the choice of asking the multinationals for technology and capital or allowing the state to step in with funds.

During World War II, when many of Brazil's large steel mills were constructed,

American steel firms have had import protection since the mid-'60s. It's done no good.

the government went hat-in-hand to the U.S. seeking capital to invest in steel mills. No backers were found. Thus, state-supported steel firms were born out of necessity, at a time when much of the steel produced by Europe and the U.S. was being absorbed by the war. Neo-classical trade theory would have had Brazil sit back and hope that the market would eventually make capital available for the advanced countries for steel projects. In the meantime, all the advantages of having a domestic steel industry—employment, availability of a good important to other industries, and the creation of new markets—would have been lost. Brazil's steel industry has since assumed even

greater significance because it helps to earn foreign exchange to pay back the country's huge debt to foreign banks. The South Korean government, to give another example of state-supported industry, stepped in during the '50s and '60s with preferential tax, export and credit advantages to companies producing goods important to the overall economy. These included finance, transport, electricity—and manufacturing enterprises like steel.

The illusion of free trade.

While free trade in the traditional view has not existed internationally, it has been an illusion in the U.S. steel industry. American steel firms have had import protection since the mid-'60s. One major form of protection, the Trigger Pricing Mechanism of 1978, was estimated by the Federal Trade Commission to have a potential cost to the American consumer of \$1 billion annually in higher steel prices. The recent 201 decision by the ITC, before it was changed in the hands of the Reagan administration, would have cost the consumer \$4.3 to \$5.9 billion for each of the five years the quotas would have been in effect, according to the Congressional Budget Office. Michael Borrus suggested that "the industry itself has been protected since the early '60s. That has neither preserved jobs among workers, nor has it modernized facilities among the integrated [largest] producers."

The big producers have threatened to file countervailing duty and anti-dumping cases against foreign producers if Reagan's promises are not kept. Although this route is somewhat more justifiable than overall trade restraints, its ultimate effect will be to scare foreign producers into lowering exports here to avoid costly court battles and bad publicity. This happened with Mexico earlier this year.

In any case, unless the industry is eventually able to negotiate restraints greater than those in place, it will have to restructure. This is not necessarily bad. Japan has been steadily increasing production of the higher value-added products such as stainless and tool steel. This move is not much different from Brazil trying to make steel out of the iron ore it formerly exported. Neo-classical economists would applaud a restructuring of the American steel industry as a result of the entry of cheaper foreign steel. But this would create massive dislocation among workers. One solution is to allocate capital to those producers willing to change their product line, modernize equipment and thus draw workers to those firms. Some firms have chosen instead to diversify into non-steel areas.

This kind of government involvement would be "dangerously close" to a subsidy. Many European countries have heavy state involvement in their steel industries. Unlike the U.S. industry, the Europeans' goals often include maintaining employment as much as profit. Tough times in the world steel market have forced them to start to restructure in a cartel-like agreement designed to exclude the new producing countries. This restructuring, despite government attempts to smooth the waters, is meeting resistance from workers worried about losing jobs. Nevertheless, the European efforts appear to involve more retraining than has been considered in the U.S. Government involvement in steel should include retraining workers forced out of jobs and investment for modernization. ■

Andrew Collier works for a metal industry publication.

How World Steel Output Has Shifted

World's leading steel producers ranked by 1983 output of raw steel in thousands of net tons

Country	1983 Production (000 tons)	1973 Production (000 tons)	Percentage Change
Soviet Union	187,550	144,933	+ 16
Japan	107,100	129,128	- 17
United States	84,015	150,799	- 44
China	44,015	27,558	+ 60
West Germany	39,384	54,557	- 28
Italy	23,801	23,148	+ 3
France	19,414	27,855	- 30
Poland	16,078	15,496	+ 17
Czechoslovakia	16,648	14,504	+ 15
Britain	16,627	29,459	- 44
Brazil	16,159	7,882	+ 105
Rumania	14,881	6,936	+ 65
Belgium-Luxembourg	14,825	23,640	- 37
Spain	14,033	11,905	+ 18
Canada	14,030	14,756	- 5
South Korea	13,134	1,276	+ 920

Source: American Iron and Steel Institute

ART & ENTERTAINMENT

FILM

Nixon as 'everyman'

By Pat Aufderheide

A mere decade later, even many of us who lived through Watergate are hard put to say exactly what it was about. Could a few dirty tricks—tricks that wouldn't even smudge the reputation of some of our present leaders—have triggered all that scandal?

Secret Honor is a film that brings Watergate back—not the headlines, not the history, but the culture that could make that bit of history happen. It is that rarity on screen, serious entertainment. Not message-mongering, not guilt-on-sleeve melodrama, not a color-the-good-and-bad-guys-by-number movie.

In an engrossing evening, it takes you inside the soul of one of America's most public men—Richard Nixon. Oh, it's fiction, as the opening title desperately reminds all those who may be litigiously minded. But it goes deeper than *Deep Throat*.

The film, directed and produced by Robert Altman and adapted from a stage play by Donald Freed and Arnold M. Stone, is a one-man show in one room. If the phrase *tour de force* never comes to mind while you're watching Philip Baker Hall play out Nixon's tortured soliloquies, it's only because you're too hypnotized to notice.

It's not just that Hall has Nixon's tics and mannerisms down, as he fiddles with his index finger, stutters in uncompleted sentences, veers from purple-mountains-majesties rhetoric to whimpering self-pity to vindictive indictments of enemies and erstwhile friends.

It's that he builds a character in whom those gestures and habits are the symptoms and symbols of a man for our time. Nixon, this film argues, is our Hamlet. However grotesque, he cannot be dismissed.

Our evening with Richard Nixon is an evening of—what else?—self-justification. Nixon, speaking into a tape recorder that he can't quite get to work right, is building his legal case for an invisible judge—the American public—and about an amorphous crime—that of being Richard Nixon.

As he toys with a prominently displayed revolver, adjusts four TV monitors, paces and ponders family photos and portraits of other presidents, it becomes clear that Watergate was about something more serious than a little inter-political-party burglary. It was about the quality of political life, that is, the way that we manage our shared resources in society. Its health and vigor was tested and found wanting in the anxiety-ridden, desperately needy character of Nixon.

Nixon's case for himself, made hesitantly for fear of revealing what he feels are high-level secrets too terrible for the general public to bear, is that he has "secret honor." It is a bizarre concept, appropriate to the news-

peak of 1984.

He resigned, he claims, rather than accede to a power grab by the people who bought him in 1945 and had controlled him thereafter—the Committee of 100, California capitalists who saw in him the perfectly malleable man of the people to front for their interests.

Is the political plot that leaks out of Nixon's paranoid ravings possible? The authors of the script certainly have experience in digging out modern political conspiracies, and turning them into provocative art.

Freed is a historian, novelist and playwright, whose play *Inquest* concerned the Rosenberg-Sobell case, whose novel *Executive Action* (later a movie) was about the Kennedy assassination, and whose *Spymaster*, about the murder of Orlando Letelier, is being adapted for film. Arnold M. Stone was once an intelligence analyst for the National Security Agency (an agency that makes the CIA look positively above-board), and then he worked for the Justice Department, investigating organized crime.

For *Secret Honor*, the two men pored over congressional impeachment investigations. The play is laced with bits of conspiracy and intrigue from Nixon's political record.

But that isn't what horrifies you. The more powerful evidence is the social and psychological background that made it possible for Nixon to be the perfect political tool. That is a perception worth far more than a movie ticket, and one that fiction can exploit in a way the best journalism never could.

As he recalls his childhood, talks to his dead mother, and generally exposes his soft psychological underbelly, Nixon shows himself a familiar type: child of Depression-era lower middle class parents, whose mother dominated a home where patriarchy was revered, where the crush of circumstances was internalized as guilt and sin.

Nixon lives out the contradictions of Horatio Alger. He believes simultaneously in power and in equality, in opportunism and honesty, in independence and authority. In his comfortably-padded cell, Nixon exhibits the two sides of his personality. His devotion to his mother is complemented by his hatred of women and need for locker room and boys' club-style male bonding.

His pathetic worship of Bohemian Grove power elitists segues into vicious resentment of the "Eastern establishment" and such authority figures as Ike and Kissinger.

Nixon is driven by a constant craving for power, because in power is the promise of self-definition. He is not just a man who does not know himself. He is a man who cannot rest long enough to do so in his vacillation between fear and desire, who depends helplessly on the recognition and reward of authority figures he resents.

There's no there there with Nixon, only the never-assuaged need for outside proof that he exists. No wonder he is so addicted to recording devices. When he peers into a TV monitor he really is looking for himself, and he is never quite sure he's finding it. There is even a certain poignancy in the failure of even the recording machines to work for him.

There is pity and horror in this Nixon. Pity for a man who can at least still ask questions about right and wrong, and who cannot exercise the conscienceless elitism of the men he calls his masters. And horror because if playing, as he puts it, "out of my league," as a perennially insecure little guy, destroys him, it also destroys the integrity of a democratic system.

Politics becomes a charade in which the powerful use the fears of the many to benefit the few.

Nixon, this film would have us believe, is not a madman but everyman. There are more Nixons out there, lusting for power as for survival and making unholy marriages with people all too happy to give it to them for a price. When Nixon rages that he did nothing exceptional—"we're all crooks"—it makes sense. What was wrong with Watergate is that it had become business as usual.

This may be Robert Altman's most successful of his recent works of filmed theater (*Come Back to the Five and Dime, Jimmy Dean, Jimmy Dean; Streamers*). Part of the reason is surely that the core of the work came pre-packaged, actor included, from the stage production. Altman has an instinct for the dramatic ironies in social contradictions, but his best work depends on collaboration, especially with tightly controlled scriptwriters (think of Joan Tewkesbury's ingenious structure for *Nashville*).

Here, both his piercing perception and his generous creative spirit—he takes outrageous gambles on new talent and original approaches, and he can superbly showcase good acting—pay off.

He not only lets the writers and

actor do what they had already done well, but he produced the film with University of Michigan film students. You would never know the film was an educational exercise; it's as cleanly professional as you wish most Hollywood movies were. Where the students' work is most in evidence, in fact, is in the film's low production budget.

Perhaps it was the challenge of producing so intense a character study on such limited resources, or perhaps Altman is just getting more expert at using film to exploit the special qualities of theater, but *Secret Honor* is more than a play on film. With its self-referential images on the TV monitor, its eyebrow raising closeups on such props as the ever-present glass of whiskey and the gun, its restless roving paced to Nixon's ravings, the film takes the spectator past the proscenium arch and into the room where Nixon was heralding one alarm while signalling another.

It's been a long way from Watergate in the last 10 years, mostly in the wrong direction. Never has there been a better time for a work of art like *Secret Honor*. ■
For more information contact: Sandcastle 5 Productions, 128 CPS, Suite 4B, New York, NY 10019. ©Pat Aufderheide

CALENDAR

CHICAGO

November 11

Opening of The Peace Museum's newest exhibition *The Ribbon—A Celebration of Life*, segments of a ten-mile-long "ribbon of peace" created by thousands of people. 1:00-5:00 p.m. at The Peace Museum's new gallery, 430 W. Erie, (312) 440-1860. *The Ribbon* through January 31, 1985. Museum and Gift Shop: Tuesday-Sunday, 12:00-5:00 p.m., Thursday, 12:00-8:00 p.m.

November 13

Public TV screening and discussion: "The Arab and the Israeli." This PBS film features public dialog of Israeli Knesset member Mordechai Bar-On and Palestinian Mayor Mohammed Milhem on peace in the Middle East. Facets Multimedia, 1517 W. Fullerton. Reception 6:30 p.m. Film 7:00 p.m. Panel discussion following. \$2 donation. Presented by American Friends Service Committee. (312) 427-2533.

November 16

Aaron Freeman performs as Third Unitarian Church celebrates its 116th anniversary! Wine and cheese, etc., for \$5. 8 p.m. Third Unitarian Church, 301 N. Mayfield (5900 W.) (312) 626-9385. TUC has more subscribers to ITT than any other church in the U.S!

November 17

"...Mightier Than the Sword: A Tribute to Ruth Adams and Dennis Brutus." Midland Hotel, 172 W. Adams. A benefit for the Chicago Committee to Defend the Bill of Rights. Reception and cash bar 6:00, dinner 7:00. Donation \$35. Call (312) 939-0675 for more information.

EAST CHICAGO, IN

November 14

Steeltown, by the San Francisco Mime Troupe! Labor/musical/drama on the plight of the American worker. A fast, punchy, musical-comedy—with a message! November 14th, 8:00 p.m., Washington High School, East Chicago. Sponsored by the United Citizens' Organization. Call: (219) 398-6393.

KNOXVILLE, TN

November 14

"Signs of the Times Tour" starring John McCutcheon & Sy Kahn, with sign artist Susan Freundlich. Ticket discounts for hearing impaired/disabled. (615) 522-5851.

Use the calendar to announce conferences, lectures, films, events, etc. The cost is \$20.00 for one insertion, \$30.00 for two insertions and \$15.00 for each additional insert, for copy of 50 words or less (additional words are 50¢ each). Payment must accompany your announcement, and should be sent to the attention of Cynthia Diaz.

NEW YORK

November 9

Jericho, a musical legend based on the 1979 murders of five civil rights/labor leaders in Greensboro, N.C., premieres, Friday, November 9, 8:00 p.m., Symphony Space, Broadway & 95th. Tickets \$50, \$25 & \$15, to benefit Greensboro Civil Rights Fund. Call (212) 864-5400 or CHARGIT 1-800-223-0120. For more information (212) 865-0511.

November 16

N.Y. DSA Annual Fundraiser, Friday, November 16, 7:00 p.m. in tribute to Cleveland Robinson of District 65 UAW and The Human Serve Fund. Special guests: William Lucy of AFS-CME, Francis Fox Piven, Hon. Basil Paterson. Entertainment Tom Chapin. Buffet supper. \$40/person. At John Jay College, 445 W. 59th St., Call (212) 260-3270.

LANSING, MI

November 9 & 10

Steeltown, by the San Francisco Mime Troupe! Labor/musical/drama on the plight of the American worker. A fast, punchy, musical comedy—with a message! November 9th & 10th, 8:00 p.m., Hanna Middle School, East-Lansing. (517) 372-4636. Mime Troupe theatre workshops available for Jr. High students & adults, (517) 371-1369 for information.

SEATTLE, WA

November 10-11

Breaking the Barriers of Job Discrimination: Join union and working women at University of Washington. Conference to discuss winning strategies on combating unequal treatment and protecting workplace rights. Keynotes: Clara Fraser, Merle Woo, both victors of landmark discrimination suits. Panels and workshops from comparable worth to unionizing. Contact Radical Women, 3815-5th Ave. N.E., Seattle, WA 98105, (206) 632-1815 or (206) 632-7449.

JOHNSON CITY, TN

November 15

"Signs of the Times Tour" starring John McCutcheon & Sy Kahn, with sign artist Susan Freundlich. Ticket discounts for hearing impaired/disabled. (615) 929-9822.

CHATTANOOGA, TN

November 16

"Signs of the Times Tour" starring John McCutcheon & Sy Kahn, with sign artist Susan Freundlich. Ticket discounts for hearing impaired/disabled. (615) 775-2996.

MILWAUKEE, WI

November 16

Steeltown, by the San Francisco Mime Troupe! Labor/musical/drama on the plight of the American worker. A fast, punchy, musical-comedy—with a message! November 16th, 8:00 p.m., Lincoln Center for the Arts, Ivory Hall. Sponsored by the Milwaukee Artists Foundation. Call: (414) 272-ARTS.

BATAVIA, IL

November 17

Steeltown, by the San Francisco Mime Troupe! Labor/musical/drama on the plight of the American worker. A fast, punchy, musical-comedy—with a message! November 17th, 8:00 p.m., Ramsey Auditorium, Fermilab. Call (312) 840-3353.

CHARLOTTE, NC

November 17

"Signs of the Times Tour" starring John McCutcheon & Sy Kahn, with sign artist Susan Freundlich. Ticket discounts for hearing impaired/disabled. (704) 372-0675.

ATLANTA, GA

November 18

"Signs of the Times Tour" starring John McCutcheon & Sy Kahn, with sign artist Susan Freundlich. Ticket discounts for hearing impaired/disabled. (404) 449-0356.

PHILADELPHIA, PA

November 30-December 2

"After the Elections: What's Next for the Left?" Public forum Friday night. Conference Saturday & Sunday. With Barbara Ehrenreich, Frances Fox Piven, Michael Harrington, Bill Tabb, Stanley Aronowitz, Hulbert James, Richard Healey, Loretta Williams, Bogdan Denitch. Sponsored by Institute for Democratic Socialism, Suite 801, 853 Broadway, NYC 10003, (212) 260-3270.