

Mr. President: Allow the US Steel Takeover

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7 March 2025

Word Count: 997

The massive chimneys heave steam once more. The roar of the mill fades, imperceptibly, to silence. For hundreds of America's unionized steelworkers, it is their last day on the job.

This is a scene that will become all too familiar if the US government continues to prevent Nippon Steel, a Japanese firm, from buying US Steel, once a behemoth of steel manufacturing which has fallen on hard times¹, over dubious national security concerns.

In 2023, when US Steel announced the takeover², United Steelworkers (USW), a major American steel union with a litany of grievances against Nippon³, promptly opposed it⁴. Although USW claimed that not being notified of the impending deal prior to the announcement violated an agreement with US Steel⁵, USW soon turned to calling the merger a risk to national security⁶.

At the time, Donald Trump was running for president with a coalition built around workers⁷, so he soon announced that, upon election, he would block the deal. His opponent, then-president Joe Biden, soon made a similar pledge⁸. Little ensued until after the election, when, in one of his final presidential acts, Biden blocked the deal⁹. Since his inauguration, Trump continues to oppose the merger¹⁰, a decision that, while admirable, is wrong-headed.

For, if the deal is blocked, a major avenue of acquisition for US Steel would be blocked, too. Foreign steel firms would fear sharing Nippon's fate of a national-security block combined with a hefty break-up fee from a failed contract, while most major American ones are struggling; the only domestic one interested in buying US Steel has few funds¹¹.

Not being purchased would be terrible for the workers at US Steel. The company has stated that if the deal were to collapse, it would close steel plants¹². Even if this is a negotiating tactic, it has a ring of truth: Steel industry experts estimate that US Steel needs billions of dollars in investment to upgrade its facilities and be competitive with modern firms¹³. At some plants, ancient equipment leads to workers spending much of their time keeping the mill operational rather than actually producing steel¹⁴.

Workers recognize that Nippon's ownership — and its money — would benefit them. Beyond having the job stability that comes from one's employer not being on the verge of collapse, many workers recognize that their job satisfaction would also improve. A local union leader estimated that “about 90% of his fellow steelworkers ... support the deal” after they learned that Nippon planned to invest more than \$2 billion to modernize mills¹⁵.

Trump should side with America's steelworkers, many of whom supported his candidacy¹⁶, and overturn Biden's decision. He ran on a pro-worker platform, not a pro-union one¹⁷, and the best way to thank the workers for their votes is to help them maintain their livelihoods.

This reversal should not be unconditional: One of the more reasonable concerns raised by USW's president, David McCall, over the deal was that Nippon would not honor union contracts, especially the “significant obligations to fund pension and retiree insurance benefits”¹⁸. Union

agreements should be kept, but this is a point to negotiate on, not one to block the deal over. If the merger fails and US Steel closes mills, these employees would lose not just their pensions, but their paychecks. Trump should get ironclad commitments from Nippon to honor the contracts, guaranteeing workers' futures.

And, not only would American workers benefit from the deal going through, but America's biggest rival — China — would suffer. China is the world's largest steel producer — outputting over 1 billion tons in 2023 — and the race is not even close. The second largest producer, India, produced just 140 million tons, and Japan and the US, the third and fourth largest, had comparatively puny outputs: around 85 million tons apiece¹⁹.

Merging US Steel with Nippon could shrink that gap. Nippon is the most efficient large-scale steel manufacturer in the world, while US Steel decidedly is not²⁰. However, Japan has an aging population, while the US has much more space for steelmakers to grow. With Japanese investment, US Steel has the opportunity to expand and grow America's steel production.

This would help wean America off foreign steel. If the worst comes to pass and the tensions simmering between the US and China boil over into a war, China's allies could disrupt the supply chain, especially for goods critical to war production, like steel. In 2024, the US imported 28.8 million tons of steel. Although only about 500,000 tons came from China, at least another 7 million tons came from China-friendly countries, like Brazil and Vietnam²¹.

Many American leaders across the political spectrum apparently find Japanese ownership of a major American steel company similarly threatening. When (now vice president) JD Vance, Senator John Fetterman²², and leaders of USW²³, made their unsubstantiated, fear-mongering claims that the deal posed a national security risk, the implication seems to have been that Japan was untrustworthy so a Japanese firm would cease producing this crucial resource in a war.

This is absurd. Japan is one of the US's largest trading partners and a close military and diplomatic ally²⁴; in fact, Japanese firms employ over 800,000 American workers in the United States²⁵. If Japanese ownership of one steel company poses such a threat, then the US is probably already doomed. And, even if Nippon's owning US Steel was so dangerous, Nippon has agreed to the US government having a decade wherein they can veto any production cuts²⁶. In any case, in the event of a war, there exist nationalization laws that could be used to reacquire control of US Steel if Nippon breaks its word²⁷.

This merger's benefits clearly outweigh its disadvantages. President Trump should think of the workers, not the unions, while he still has time to prevent this protectionist policy from being carried out. As the sun rises on his second term, he should think of his legacy.

Will Trump be the president who sounds the death knell for American steel? Or will he be the one who revives it?

End Notes

- ¹ Davis, 2024
- ² Schumpeter, 2024
- ³ Millsap & McCall, 2023
- ⁴ McCall, 2023
- ⁵ “Deal no longer strong as steel”, 2024
- ⁶ Millsap & McCall, 2023
- ⁷ Balz, 2024
- ⁸ Egan, 2024
- ⁹ Ibid.
- ¹⁰ Hunnicutt & Bose, 2025
- ¹¹ “What next for US Steel?”, 2025
- ¹² Steavenson, 2024; “Is the era of the mega deal over?”, 2024
- ¹³ Isidore, 2025; “What next for US Steel?”, 2025
- ¹⁴ Steavenson, 2024
- ¹⁵ Ibid.
- ¹⁶ Ibid.
- ¹⁷ Miller, 2024
- ¹⁸ McCall, 2023
- ¹⁹ World Steel Association, 2024, page 9
- ²⁰ “What next for US Steel?”, 2025
- ²¹ American Iron and Steel Institute, 2025
- ²² Agence France Presse, 2023
- ²³ McCall, 2023
- ²⁴ US Department of State, 2020
- ²⁵ Ibid.
- ²⁶ “What next for US Steel?”, 2025
- ²⁷ Schumpeter, 2024

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