

UK: Trade unions at Corus offer yet another pay cut

Simon Whelan
19 December 2008

The December 10 revelation by James Pickard of the *Financial Times* that the trade unions GMB, Community and Unison had offered Corus Steel a ten percent pay cut prompted heated denials.

Before formal negotiations had even begun, Pickard quoted an unnamed but senior GMB union official saying, “Representatives would accept a 10 percent decrease for everybody, from the bottom to the top of the company.”

The report was immediately described by union representatives as “total b*****s”. In his column the following day, Pickard expressed his surprise. He contacted the GMB’s spokesperson Steve Pryle who told him, “I have spoken to one official who was not aware of this and another who said that there had been talks of going down the JCB route.”

In October, 4,000 JCB workers voted to work fewer hours resulting in a £50-a-week pay cut in order to supposedly save 350 jobs.

Pickard described the GMB’s response as a “non-denial denial” and explained why he believed the union was so perturbed by his scoop.

His argument is convincing. “For starters,” he wrote, “members do not like to hear that their officials are negotiating from such a weak position. Nor may they like the idea that unions have ‘offered’ to take pay cuts in return for preventing job losses. So their line is that Corus suggested the pay cuts.”

The Community trade union took the same line, telling the BBC, “Any proposals that have come

forward have done so as a consequence of proposals that have been put forward by the company.”

This “is semantics,” Pickard wrote. “In other words Corus thought of it first. But yes we agreed to take it, and put it back to management.”

The BBC’s economic editor, Peter Peston backed up Pickard’s account, adding that Corus had told him that the pay cut proposal was just one of a number of issues being discussed. Philippe Varin, Corus’s chief executive, is also demanding financial assistance from the British government, similar to that granted by the Dutch government, whereby taxpayers would pay some 70 percent of Corus’s wage bill for 24 weeks.

The upfront offer of large pay cuts, confirms that the trade unions function to defend the interests of the corporations, not their members. It was the GMB that agreed to a pay cut at JCB for six months that was supposed to protect jobs—reducing planned redundancies from 510 at UK factories to 332.

Within weeks JCB reneged on the deal and made large scale redundancies. On November 14, Gordon Richardson, GMB Works convener, blithely declared that “Regrettably, JCB *in consultation with GMB*, has announced a further wave of redundancies due to the economic downturn” (emphasis added).

He described this as a “major blow to GMB membership, after what GMB classes as a tremendous show of collective unity” and a “historic stance for the common good” in taking a cut in hours and pay. “Unfortunately, more of GMB members will lose their jobs than was originally expected but we can all rest

assured that the selfless commitment shown in voting for the shorter working week has, without doubt, saved the jobs of more than 500 GMB members,” he asserted.

In reality, as Pickard pointed out, the GMB agreed to a deal “where it would cut pay and hours in return for saving jobs—although the digger company went ahead and cut hundreds anyway a few weeks later.”

During their initial negotiations with Corus, the unions have made it perfectly clear they intend for their members to shoulder the financial burden of maintaining the steel manufacturer’s profitability. Only months previously the Corus workforce agreed to cuts in overtime and production bonuses. Yet Corus cut 400 hundred jobs last month at a West Midlands distribution centre and has recently shut blast furnaces in Port Talbot, Scunthorpe in the UK and Ijmuiden in the Netherlands.

The Indian owned Tata group, which owns the formerly Anglo-Dutch concern, have expressed their intention to cut costs by £350 million and production by 30 percent. Tata made profits of £2.47 billion during the six months up to September this year, but the international economic crisis has halved the price of steel. Demand in major industries like construction and automobiles has fallen precipitously.

Corus has confirmed that they are speaking with the unions about “a range of proposals,” noting that “the payroll discussion is obviously an option open to any company.”

As the most recent example at Corus displays, the role of the trade unions today is not to press forward a struggle on behalf of their own members, let alone the working class as a whole. Instead they seek to impose pay cuts and redundancies, champion state bailouts to socialise corporate losses, break strikes, isolate and strangle workers’ struggles.

More cuts will come if the unions, management and the government have their way. Numerous organisations representing employers, have expressed their support for the wage cut at JCB and Corus as harbingers of what they hope will follow across

industry and commerce. Iain McMillan of the Confederation of British Industry told the press he had heard of many companies planning wage cuts.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact