

Britain: Refinery dispute becomes focus of shift to protectionism within Labour

Julie Hyland
5 February 2009

A potential deal to end the series of strikes by mechanical engineering contractors over the use of non-British labour at power stations and refineries is to be moved by trade unions Unite and the GMB at a mass meeting at the Lindsey refinery at the centre of the dispute. It reportedly involves setting aside 100 jobs to be filled by UK workers by the Italian contractor, IREM.

Whatever the immediate outcome at Lindsey, the dispute has become a focus for a shift to protectionism by the trade union bureaucracy that is also finding expression within the Labour government.

On Tuesday, John Mann MP tabled an Early Day motion in the House of Commons "deploring" the use of Italian workers at Lindsey. Urging parliament to "congratulate the trade unions" for the strikes, the motion calls on the government to ensure that the capital building programmes it has brought forward in an attempt to halt the recession should be "built by companies employing primarily British labour."

The motion, like the arguments of the trade unions involved in the dispute, is couched in terms of ending exploitation and upholding workers' rights.

Mann has never displayed any such concerns previously. Parliamentary private secretary to Minister for London Tessa Jowell, and a former member of the Treasury Select Committee, Mann's parliamentary record shows him to be a stalwart supporter of Labour's big business agenda, voting enthusiastically for student fees, identity cards and foundation hospitals (backdoor privatisation of the health service). He also voted "very strongly" for the Iraq war and "very strongly against" an investigation into it.

Mann's apparent conversion into an ally of the working man is in reality a response to the impact of the global financial crisis on British capitalism, especially as regards the development of the class struggle.

The free-market economy championed by Labour and its policies of privatisation and deregulation have been revealed as a giant Ponzi scheme, designed solely for the benefit of the super-rich and major corporations at the expense of working people.

Having dismantled large swathes of industry in favour of the City of London and the development of a cheap labour service sector workforce—sustained through massive indebtedness—the bourgeoisie rightly fears the economic and political consequences of global recession.

From insisting that state involvement in the economy was unnecessary and wasteful, a section of the ruling elite now regards it as crucial. As the major conglomerates, banks and finance houses plead poverty, public monies are greatly in demand. And faced with the growth of protectionism in the United States and elsewhere, a layer within the labour bureaucracy are turning to economic nationalism as a means of trying to salvage the long-term interests of British capital against its major rivals.

This is being led by the trade unions, which explains Mann's own role. Prior to entering parliament, he was a full-time functionary for the Trades Union Congress and head of Research and Education for the engineering union, the AEEU, now part of the Unite trade union that is leading the "British jobs for British workers" protests.

He is also regarded as an ally of Phil Woolas, Labour's immigration minister, who is another former full-time trade union functionary, this time for the GMB (the other union central to the current dispute). Woolas spelt out how he saw dealing with the economic crisis in an interview late last year: "In times of economic difficulties, racial stereotyping becomes stronger, but also if you've got skills shortages you should, as a government, attempt to fill those skills shortages with your indigenous population," he said.

Former Labour minister Frank Field has demanded the government introduce new legislation compelling

corporations to employ Britons first, writing that "the Government must move to declare illegal any contract awarded to foreign companies operating in this country that do not first offer all their jobs to British workers."

He too claims that such a measure is necessary to combat racism and protect British workers—a spurious claim, especially given his own political record. A former member of the Conservative Party, after joining Labour in 1979 he was to play a key role in the witch-hunt against the left that was to prove so crucial in refashioning Labour as the party of the financial oligarchy.

Field's anti-immigrant stance is closely bound up with demands for a tightening up of welfare entitlement, which the *Guardian* said he blamed for creating "a benefit-dependent, work-shy sub-class." He is currently part of a cross-party committee anti-immigration group, demanding a cap on foreign workers.

Jon Cruddas is probably the most high-ranking Labour MP to have backed the "British jobs for British workers" strikes.

Cruddas received significant backing from the trade unions, including Amicus, in the contest for deputy leader of the Labour Party following John Prescott's departure and was endorsed by Labour's so-called "soft left" *Tribune* grouping. In his earlier position as deputy political secretary to then Prime Minister Tony Blair, he was regarded as a crucial link in maintaining relations between the government and the trade unions, i.e., in ensuring there was no potential upset to Labour's right-wing agenda.

Once again, on every major issue, from the Iraq war to foundation hospitals, Cruddas has backed the government. But his tenure as an MP has confronted him with the consequences of these policies in the collapse of support for Labour amongst broad layers of working people. He has complained of a "significant movement away" from the party amongst public sector workers, black and ethnic minority voters, "urban intellectuals" and an "especially huge shift" among "working-class voters, especially manual workers."

The conclusion is that the party's re-invigoration requires it to reconnect with the "white working class"—and, more broadly, that it is necessary to reaffirm the historic connection between Labour and the trade unions if capitalism is to weather the economic storm.

Writing in the *Guardian* January 31, Cruddas said that the "recession is exposing the true nature of the British economy. We are a country that has been ransacked by the free flow of capital. The strikes are not about

xenophobia, they're about large corporations and free markets that are out of control."

"Britain has lost control of key industries and their labour procurement procedures," he continued. "Britain is a country that no longer owns the productive processes that create its wealth. Crucial economic sectors have been handed over to unaccountable foreign ownership" and "The government has abandoned workers to exploitation."

"The left," he asserted, "must offer a real and viable alternative."

Cruddas makes no specific proposals flowing from his complaints against "unaccountable foreign ownership," referring vaguely to redistributing wealth, greater regulation of the labour market and the need for "strong trade unions." A more explicit enunciation of the outlook now developing within a section of the Labour and trade union bureaucracy and its ideologues, however, was given by the *Guardian's* economic commentator Larry Elliot on February 3.

Elliot, who is to chair a series of meetings organised by the newspaper on "capitalism in crisis," asked, "Is free trade the best way to beat recession?"

"It is universally accepted in the world of economics that the worst thing that could befall the global economy in its current parlous state would be the sort of tit-for-tat trade war that marked the 1930s," he wrote. "The historical evidence is conclusive: free trade is good, protectionism is bad."

Questioning that "evidence," however, Elliot raised, "The real lesson of the 1930s is that if you think protectionism is in the offing, it makes sense to raise your barriers first."



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact