A thousand jobs to go at UK Tata Steel

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Tata Steel is to cut a further 250 jobs and mothball at least one of its plants at Llanwern, South Wales. The company claims its strip products business needs to reduce costs and is concentrating production of hot rolled coil at its plant in Port Talbot, South Wales.

In July, Tata Steel announced 685 jobs would go at two Specialty Steel plants in Rotherham and Stocksbridge in South Yorkshire, plus 35 job cuts at Wednesbury West Midlands in March 2016.

Dave Hulse, national officer of the GMB union, commenting that the local areas affected would be "destroyed with mass unemployment," made clear that his main concern was that the UK's "balance of payment deficit will increase further if we don't act now and get government support."

The GMB is part of the National Trade Union Steel Coordinating Committee (NTUSCC). The NTUSCC's only response to the ongoing job cuts is to repeat the trade unions' plea for more state interventions to reduce production costs. In July, the NTUSCC made a case that cheap steel imports from China and the high cost of energy prices in UK steel production were to blame for the sackings. However, the company made clear the closures in South Yorkshire and the West Midlands were the next stage in a nine-year plan to streamline the Specialty Steel division, plans that had previously been agreed to by the unions within the NTUSCC.

China, whose manufacturing base is in a sharp downturn, has been blamed by the political establishment for "dumping" excess steel production in Europe cheaply. Stuart Wilkie, Tata's director of Strip Products in the UK, claimed Tata remained committed to its UK business but said, "Surging, and often unfairly traded, imports have combined with a strong pound to create a very challenging business environment."

He added, "The changes we have told employees about will reduce our costs and enable us to focus on generating more value from our products, which will improve our competitiveness."

The role of the steel unions at Tata Steel has been to demobilise any joint offensive by steel workers against the cuts. In July 2015, they called off industrial action voted for by large majorities in all unions. It was to have been the first national strike in steel in more than 30 years—a record of suppressed conflict that the unions proudly refer to.

Once the strike was called, the unions set about forcing through major changes to workers' entitlement under the British Steel Pension Scheme. These benefited Tata Steel while dramatically reducing the pension benefits of the workforce. Within the deal, the unions put forward a pledge to save the company £850 million, and the sackings began almost immediately.

This betrayal followed that carried out in 2014 when Tata had sought to cut loose its Scunthorpe-based Long Products division. It hoped that by doing so the division would be sold off to the Klesch Group of companies. When the deal looked to be faltering, Community, the main union involved, hired the French industrial consultancy firm Syndex to investigate how to improve productivity at the plant. On August 4, A. Garry Klesch, the owner of the Klesch Groups, decided the company was pulling out. Tata was persuaded by Community and Syndex to set up a "stand-alone subsidiary" under Tata's umbrella.

The slowing down of Chinese manufacturing has created a large surplus of steel. Governments across the globe are being pressured by firms into issuing tariff charges. European Union commissioners are under pressure to bring in strict tariffs. Analysts claim any of these measures would be limited, with China able to reduce steel prices even more than at present.

The attacks on steel workers' jobs and conditions in Britain correspond to similar attacks around the world.

Within the last few months, steel producers in Europe, the US, South America and South Africa have used cheaper Chinese steel as a means to cut tens of thousands of jobs.

In March of this year, US Steel began laying off 614 workers at its tubular works in Lorain, Ohio, stating that the plant is "temporarily idled."

On August 18, the *World Socialist Web Site* reported that US Steel had announced it would permanently close the blast furnace and most of the flat-rolled finishing operations at its Fairfield Works near Birmingham, Alabama, eliminating 1,100 jobs, more than half the workforce. This occurred two weeks before the September 1 expiration of labour agreements covering 30,000 US steelworkers. Since 2014, six US Steel plants have closed with the loss of 3,500 jobs. On September 1, the WSWS noted, "United Steelworkers (USW) in the US ordered 30,000 workers at ArcelorMittal and US Steel to continue working without a contract, even as the giant companies press for draconian concessions and contracting firms have begun hiring replacement workers in the event of a lockout or strike".

Within the last year, the WSWS has reported extensively on BlueScope Steel and its attacks on Australian and New Zealand steelworkers' jobs and conditions. In August, BlueScope announced it had entered a period of major restructuring and called on the Australian Workers Union to help the company impose the destruction of 500 jobs and a $200 million minimum in operating cost savings annually. BlueScope Steel also threatened to close its subsidiary New Zealand Steel, which employs about 1,200 people, unless it can save more than $50 million.

In South Africa, the *Independent On Line* (IOL) reported that a group of steel manufacturers, including Arcelor Mittal in Vereeniging, Evraz Highveld Steel in Mpumalanga and Scaw Metals, met with unions and the government to discuss what the IOL described as "a bloodbath" of jobs.

The group plans to shut down or mothball plants with the loss of 50,000 jobs. Many of the plants have been working on short time or have been mothballed already and are expected to close permanently. The unions involved complained that the meeting with the companies and the government reached no decisions, and that this could lead to the total collapse of the South African steel industry.

In Mexico, three steel companies have shed thousands of jobs. Steel conglomerate Arcelor Mittal is reported to have sacked 2,800 workers in June. Alonso Ancira, chair of the management board of another firm, Ahmsa, previously announced in June this year a 20 percent cut in jobs and a freeze on US$250 million of investments in response to a slump in world steel prices. The third steel producer, DeAcero, said it had fired 2,500 workers and suspended operations at one plant.

Steel workers internationally are paying with their jobs and livelihoods as a result of the fierce competition within the industry. Workers must break free from the nationalist perspectives put forward by the trade unions, whose interests are tied to capitalism and the profit system and not the working class. Workers at Tata Steel in the UK must form rank-and-file committees at all the plants and depots. Such committees must immediately build alliances with steel workers internationally.