Labour Party and unions mount nationalist campaign over UK steel industry

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Following an emergency meeting with cabinet ministers yesterday, British Prime Minister David Cameron said the government would not take Tata-owned steel plants into public ownership.

The talks were prompted by Tata's decision Tuesday to sell off its entire UK steel operation. The announcement threatens the jobs of 15,000 Tata workers, plus a further 25,000 in the firms' supply chain.

On calls for the government to step in to aid the steel industry, Cameron stated, "We are not ruling anything out", before warning, "I don't believe nationalisation is the right answer."

According to the *Guardian*, "placing plants in public ownership… was seen as the least viable option during an emergency meeting between the prime minister and his ministers," with the government opposed to subsidising a loss-making operation to the tune of £1.5 billion a year.

Cameron was responding to calls by the Labour Party and trade unions for the government to "take a public stake" in steel manufacturing in a temporary or partial nationalisation. However, the prime minister was amenable to other calls from Labour and the unions, stating that he "wanted to make sure we procure British steel for our ships and for other vital industries in the UK."

As the cabinet was meeting, Labour Shadow Chancellor John McDonnell put forward a four-point plan calling for temporary nationalisation "to stabilise" the steel industry, a "recovery plan" for the steel plants, government assistance on business rates for steel firms and for public procurement to compel the purchase of steel made in Britain for state infrastructure projects.

Later Thursday, Labour leader Jeremy Corbyn said Cameron "has offered no solutions today to the threat to our steel industry," adding, "He must act now to protect the heart of manufacturing industry and take a public stake in steel."

Cameron and Corbyn represent differing strategies of sections of the ruling elite. Neither is motivated, despite endless handwringing and furrowed brows, by a desire to defend the jobs and livelihoods of steelworkers.

Cameron's position is based on the policy inaugurated by the Conservative government of Margaret Thatcher in the 1980s, in favour of letting "lame ducks" fail, decimating manufacturing, privatising basic industries and encouraging the growth of speculative finance capital by deregulating the London stock market. As part of this, the previously nationalised British Steel was re-privatised in 1988.

In the three decades since, manufacturing was decimated to the extent that it now represents just 10 percent of the UK economy. Steel production now makes up just 1 percent of UK manufacturing output and 0.1 percent of the country's economic output.

The position of Labour and the unions, and sections of business, including the British Chambers of Commerce, is based on developing protectionist measures to defend what they view as an industry critical to the interests of British imperialism under conditions of an escalating economic crisis and the eruption of trade war. McDonnell said his plan had "emerged from discussions within the industry."

Stephen Kinnock, the Labour MP for Aberavon, which covers Port Talbot, was part of a union-led delegation to Mumbai earlier this week as Tata made its decision. In a *Guardian* article Thursday, he called for the government to grant "temporary financial support interventions to help Tata Steel get through this interim period before we find a buyer" and demanded that the government back the European Union in imposing

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tariffs on Chinese steel.

He was echoed by *Daily Telegraph* columnist Ambrose Evans-Pritchard, who wrote, "While Washington has slapped penalties of 267pc on Chinese cold-rolled steel, the EU peashooter has so far managed just 13pc. Redcar [a steel plant] has already paid the price for this ultra-free trade ideology, and Port Talbot is about to follow."

Since the crisis broke, the trade unions have come forward as the most ardent defenders of the corporations and of "British industry." Speaking to the BBC, Len McCluskey, the general secretary of the Unite union, said Britain was in "an industrial crisis of enormous proportions … affecting the whole of our manufacturing base."

He demanded that Cameron intervene in defence of Tata and slash their business tax rates and energy costs, as "the steel producers in Germany, in France pay less than half [the business rates] as our steel producers and what we're saying to the government is that they have to protect as other governments are protecting."

As well as calling for restrictions on the import of Chinese steel into the UK, McCluskey complained, "We've just used Swedish steel to build Royal Navy ships up in Scotland and that is ludicrous when we should be using our own steel."

He said the trade unions wanted to play a "key role" alongside the government in a steel "task force" to protect a "foundation industry" and "stand up for British workers" and "protect industries that are going to have a huge impact on the whole of our economy."

The dispute over the steel industry, like that over the renewal of the Trident nuclear missile system, has nothing to do with defending jobs but is rather a conflict over how best to safeguard British "national interests."

The crocodile tears over the fate of steelworkers are exposed by the fact that since 2008, successive Labour and Tory governments have carried out austerity leading to the destruction of hundreds of thousands of jobs in the public and private sectors. Many of these have gone in Labour-run local authorities, as councils have dutifully imposed every cut demanded by central government.

The three trade unions with members in the steel industry have, as with their predecessor, not lifted a finger in defence of a single job in the steel industry going back decades. At the beginning of the national steel strike in 1980, which was sold out and betrayed by the Iron and Steel Trades Confederation, 142,000 workers were employed in the industry. By 1988, this had been slashed to 52,000. Today just 15,000 workers remain. Since 2007, when Tata took over its UK plants, it has been able to slash a third of its workforce with the collaboration of the trade unions. Some 5,000 jobs have been axed in the industry in the past year alone.

The commitment of the unions to defending the steel corporations, in opposition to the interests of their members, was revealed this week when it was announced that a trade union/management deal, as part of Tata's already scheduled sale of its Long Products division in Scunthorpe to Greybull Capital, is almost finalised. According to Sky News, the deal includes a 3 percent pay cut in basic pay and includes transferring the 4,000 workers based at Scunthorpe "from the old British Steel final salary pension scheme to a less generous defined contribution scheme."

Workers must oppose tooth and nail the nationalist programme of Labour and the trade unions. There is no progressive outcome along the road of the calls for reactionary protectionist measures to defend "our industry". In a saturated globalised market, steelworkers are being laid off in vast numbers. Some 400,000 Chinese steel workers are slated to lose their jobs. Since 2008, 85,000 steelworkers have lost their jobs throughout Europe, with most of these cuts taking place in Germany, Luxembourg, Belgium and France. ThyssenKrupp, the German steel conglomerate, cut 12,000 jobs during 2008-09.

Workers in Britain, Europe and internationally must end this fratricidal race to the bottom and join together in a unified struggle to oppose all job losses and attacks on their wages and livelihoods.

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