

# The Socialist Party's pro-capitalist call to nationalise the UK steel industry

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The response of the Socialist Party (SP) and other pseudo-left groups such as the Socialist Workers Party (SWP) to the collapse of the global steel industry in the face of a raging trade war is to demand the Conservative government nationalise Tata's UK steel operations.

Echoing the steel unions and Labour Party leader Jeremy Corbyn, they urge that publicly-financed construction schemes such as Crossrail, HS2, and power projects, should be required to buy steel from the nationalised steel company.

Tata is planning to close its entire steel operations in Britain, with the loss of 15,000 steel jobs and a further 25,000 jobs in the supply chain, if it cannot find a buyer. It is in talks with Greybull Capital, a private equity firm, to sell its long products division for £1. Other potential buyers include Liberty House, run by metals tycoon Sanjeev Gupta, German company ThyssenKrupp and the management team at Tata Steel. Any such sell-offs will entail slashing jobs, wages and conditions.

The government, for its part, has announced it will take a 25 percent stake in any rescue of Tata Steel's UK operations in addition to a support package "worth hundreds of millions of pounds" for potential buyers.

While the SP's demand for the Conservative government to nationalise the steel industry may appear as a lifeline for workers who face redundancy, it is the spearhead for advocating protectionist measures that are a political trap for the working class. The promotion of such "left" nationalist responses expresses the SP's rejection of an independent socialist perspective of united struggle by the international working class against capitalism.

The SP frames its argument explicitly in terms of defending Britain's "national interest." The steel

industry, it argues, is a strategic industry and part of Britain's "heritage" that must be saved. It cites no lesser personage than Lord West, the former First Sea Lord and Chief of the Naval Staff, who told the BBC that domestic steel production was vital for the defence sector, which was why every other major power had steel plants to support their defence industry.

For decades, the trade unions and their left supporters put their faith in the ability and willingness of the corporate bosses, backed up by government and bankers, to run steel and every other industry in a way that would secure the future of the workforce. They twice hailed as a victory steel nationalisation, in 1949 and then again in 1967, only to allow privatisation to go ahead in 1951 and 1988. As a result of these efforts, employment plummeted from 175,000 in 1973 to just 69,000 in 1983, while labour productivity rose from 121.6 tonnes per man-year in 1979 to 169 tonnes in 1983. When British Steel was privatised in 1987, it came with a dowry, the largest pension pot in the country that is now in deficit.

"Saving" steel via nationalisation is in reality a euphemism for reorganising the industry so that potential buyers can better exploit the workforce while they expropriate any remaining assets. Such has been the history of steel and the rest of British manufacturing, which has fallen from 30 percent of GDP in 1970 (after which point much of Britain's heavy engineering was nationalised) to an all-time low of 11 percent.

Such nationalist demands seek to prevent the defence of the steel workers becoming a rallying call for mass action by the working class against the hated Tory government. This is confirmed by the examples the SP cites as "successful" actions by the working class.

In 1971, the union representing workers at Upper

Clyde Shipbuilders' (UCS), under the leadership of the Stalinist Communist Party members Jimmy Reid and Jimmy Airlie, developed the tactic of a "work-in" to force the Conservative government led by Edward Heath to rescue the Glasgow shipyards. Behind the façade of a militant "work-in," the trade unions--by forcing the workforce to accept increased exploitation--demonstrated their readiness to work with a new capitalist buyer and to ensure UCS' profitability.

The work-in was "successful" only in preventing a political offensive against the Conservative government. It isolated shipyard workers in Scotland from the movement against Heath that was developing, and legitimised attacks on other workers--with some 24,000 jobs lost in Scotland alone during the first months of the work-in. When UCS was bought out by US-owned Marathon and Govan Shipbuilders in 1972, only around 6,000 of the 8,771 UCS workers kept their jobs. The new owners were offered a ban on unofficial strikes and productivity increases of 120 percent.

The SP also cite approvingly the Heath government's 1971 nationalisation of Rolls Royce, the military and civilian aircraft engine manufacturer, after the company was forced into liquidation by its bankers. What really happened is that the bankers reigned supreme. Parts of the business were sold off, while jobs and wages went under the hammer--all in the interest of Britain's "national defence." Today, the company once again faces collapse.

The SP like the example of Rolls Royce because it proves that a Tory government can be persuaded to impose the nationalist economic prescriptions it supports.

In 1972, a miners' strike erupted, followed by the 1974 miners' strike that brought down the Heath government. Neither of these major class battles rate even a mention by the SP. Its historical amnesia and careful selection of UCS and Rolls Royce as role models to be followed today serve the political requirements of the steel unions and Corbyn—who advance themselves as better defenders of the national interest than the government thanks to their readiness to impose protectionism.

This is underscored by the fact that the SP goes on to cite as another potential success story for steel workers to emulate, not the 1984-85 miners' strike, but the 1992 "Save Our Pits" campaign. Following the

announcement by Tory Prime Minister John Major that he would fully implement the pit closure programme drawn up by his predecessor, Margaret Thatcher, the campaign rejected industrial action in favour of a popular front appeal for the recently re-elected government to change course. For this reason, it won support from the Labour Party and the Trades Union Congress, which had betrayed the miners in 1984, as well as Tory MPs and other right-wing forces. The role of the SP's forerunner at the time was to limit its critique of the NUM to its alleged refusal to urge a "one day national strike" to be organised by the TUC as part of the campaign!

The SP plays the same role today--as one of the various "left" apologists and ginger groups gravitating around the treacherous labour bureaucracy.

The working class cannot defend itself unless it recognises it is engaged in a struggle against the profit system as a whole, to which it must formulate its own independent political response. This necessitates a break from the straitjacket of the old nationally based trade union forms of struggle, and its organisation on an international basis, independent of and hostile to all political parties and organisations that call for class collaboration, in a struggle for socialism. The greatest crime the SP commits on behalf of the bureaucracy is, through its advocacy of nationalism, to instead pit British workers against Chinese, European and US workers who face exactly the same ferocious onslaught on their jobs, wages and conditions waged by the same transnational steel corporations.



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