France nationalizes STX shipyards in Saint-Nazaire

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French president Emmanuel Macron's administration announced July 27 that it would nationalize the STX shipyard in Saint-Nazaire. The move points to the deepening rivalries between the various imperialist powers as they launch a major military build-up in Europe and around the world.

Economy Minister Bruno Le Maire said Thursday that the government would temporarily nationalize STX France rather than let it be taken over by Fincantieri, the Italian state-owned shipbuilder. The latter firm had agreed with France's previous Socialist Party (PS) government that it would acquire STX France in the bankruptcy proceedings of South Korean firm STX Offshore and Shipbuilding.

According to the initial deal, Fincantieri was to acquire 48 percent of the shipyard, while another Italian investor would take over 7 percent. French shareholders would only have had 45 percent ownership, to which Macron objected. Paris therefore proposed on May 31 that the accord "be revised" in accordance with French interests.

France also reportedly feared that, given the ties between Fincantieri and Beijing, which holds a stake in the Italian corporation, the deal could lead to a technology transfer from France to China. At the same time, the recent negotiations took place amid growing Franco-Italian tensions over the Libyan civil war, produced by NATO's 2011 war in that country. Italy, the former colonial power in Libya, is supporting militia forces in Misrata, while France is backing a rival, a long-time CIA asset, General Khalifa Haftar.

Le Maire transmitted a new proposal that would have left Fincantieri with 50 percent of the capital, with the French state, France's Naval Group (formerly DCNS), and the firm's workers holding the balance of the shares. However, Rome rejected the deal. Press reports cited a source informed about the negotiations as saying, "The red line [for Fincantieri] is, at the very minimum, a slight majority stake and control of the board."

Paris therefore chose to take over total control of the shipyards as a measure of last resort, using an agreed-upon strategic control clause to acquire the 66.7 percent of the shipyard's capital held by the South Korea corporation. "The objective is not to nationalize Saint Nazaire, but we were forced to do so temporarily," stressed the economy minister.

Rome denounced the intervention by the French government. Economy and Finance Minister Pier Carlo Padoan and Economic Development Minister Carlo Calenda issued a communiqué stating: "We consider that the decision of the French government not to respect accords that were already agreed upon is serious and incomprehensible. ... Nationalism and protectionism are not acceptable bases to resolve relations between two large European countries."

The French political establishment has supported STX's temporary nationalization. Jean-Luc Mélenchon's Unsubmissive France movement wrote on Twitter, "We salute Macron's decision to nationalize STX. Too bad he didn't do it earlier when he was at Bercy [the Finance Ministry]." The neo-fascist National Front (FN) also supported Macron's decision, "in line with what we have demanded for years, in the name of preserving France's strategic and industrial interests."

The Stalinist General Confederation of Labour (CGT) union in STX Saint-Nazaire claimed that the priority was "to protect all the jobs onsite."

The defence of the temporary nationalization made by Mélenchon and the CGT is cynical and false. This is not a nationalization carried out by the working class in the context of the expropriation of capitalist property. The preservation of the 2,500 jobs on site and 5,000 subcontractors' jobs is not the government's priority—the shipyards have enough contracts to work to capacity for the next 10 years.

This nationalization is bound up with Macron's plans for a significant increase in defence spending in France and Europe. Paris aims to retain control of a strategic industrial enterprise, the only one in France that is capable of building aircraft carrier hulls.

Even though Macron announced a small defence budget cut this year to satisfy the European Union and the banks, he clearly let it be known that, like other imperialist governments, Paris has a long-term policy of preparing for war. He plans to give the army a leading place in French political life. He has proposed to reintroduce the draft, for both men and women, and repeatedly called for France to spend 2 percent of Gross Domestic Product (GDP) on the military.

According to Macron, "we have entered into a period of international relations where war is again on the horizon of possible events in politics." He called on France to maintain independent capacities for military "planning, decision-making, and action."

France plans to develop military planning at a European level, in the context of the re-militarization of German foreign policy, to conduct a European military policy that is more independent from the United States. This plan faces deep international contradictions, however, and Macron's invitation to Trump for Bastille Day underscores the fact that Macron is zig-zagging between Berlin and Washington.

Above all, however, painting the temporary nationalization of STX in "progressive" political terms is fraudulent and flies in the face of recent experience. As the state bailouts of the banks, and now the nationalization of STX shows, Paris is willing to spend billions of euros on war and the super-rich. But dozens of plants have closed in France, throwing tens of thousands of workers into unemployment since the 2008 crash—typically because a few million euros were needed to keep the factory afloat, as is the case currently at the GM&S auto parts plant.

This is due to the parasitical character of the French bourgeoisie and its political representatives, including Macron, the Socialist Party and their allies. Attacks on jobs and industries, including auto, are aimed at lowering workers' wages and conditions in France to the levels dictated by the world market to strengthen French corporations' positions faced with foreign competition. When a plant is considered incapable of competing on the world market, it is simply closed down and set up elsewhere to go on raking in massive profits.