



## John Kelly

# Steel an irreversible decline ?

In its Ten Year Development Strategy published in 1973, the British Steel Corporation estimated that in 1980 it would produce 36-38 million tonnes of steel per annum. It actually produced just 11.4 million tonnes, only *one third* of its plan target. In those seven intervening years the industry has been run down at an almost unprecedented rate. Steel plants throughout the country have been closed; over 100,000 steel workers have lost their jobs; steel towns like Shotton and Corby have been devastated; and import penetration in steel has nearly doubled.<sup>1</sup> To this bleak picture must be added the decline of several other major British steel-using industries. Imports of cars, refrigerators, washing machines, radios, cutlery and hand tools have grown dramatically in the 1970s. British shipbuilding, a heavy consumer of steel, is fast disappearing. Housebuilding in the UK is at a virtual standstill. The machine tool industry has all but vanished.

The culmination of the steel industry's decline was the 1980 national steel strike, the first in the industry since 1926, and one of the biggest strikes in Britain for many years. One year later the process of decline is continuing, apparently unabated, and it is this fact which raises a series of vital questions for the labour and progressive movement. What are the causes of the steel industry's decline? Does the British industry differ significantly from other European industries? How has the labour movement responded and why has it apparently been so ineffective? What role did the strike play in slowing down or accelerating industrial decline? What alternatives are available to the labour movement to halt or reverse this process, if any?

### THE DECLINE OF THE STEEL INDUSTRY

The major problems of the British steel industry can be traced to a longstanding failure on the part of the old steel capitalists to invest in new plant and equipment and to modernise existing facilities, a problem which they shared with other key industries such as engineering.<sup>2</sup> It was this failure, with its implications for earnings and job security, which led the main steel union, BISAKTA (now the ISTC) to press for nationalisation of the industry. The 1945 Labour government *did* nationalise the industry but it was never made clear how this would assist reorganisation, and this uncertainty of the government was compounded by a massive campaign of resistance on the part of the employers (the British Iron and Steel Federation). The industry was nationalised in 1949, but this measure was suspended by

the new Tory government in 1951, and the industry was then denationalised in 1953.<sup>3</sup>

From 1940 onwards the structural weaknesses of the industry — in particular the dispersion of production amongst a large number of small, old and independently owned plants — were masked by a sustained period of buoyant demand during the war, the period of reconstruction, and the postwar boom. Nevertheless the rate of profit *did* decline, from 15% (1956), 14.2% (1960) to 6.1% in 1964, and one response by the steel capitalists was a long overdue increase in capital investment from £93m in 1956 to a peak of £207m in 1961, with a fall off to £77m in 1963. This increased investment in the late 1950s failed to stem the falling rate of profit, or to increase the industry's share of the world market, and in 1967 the majority of the industry (14 large plants) was again taken into public ownership by the Labour government. The primary goal of nationalisation was to socialise the massive costs of the modernisation programme that was required to help the new British Steel Corporation catch up with the technological level of its foreign competitors. Following this rationalisation of the ramshackle private sector, the British steel industry would then, it was hoped, be able to reverse the flow of steel imports and move into export markets.

In the first five years of nationalisation the new Corporation management sought to improve the efficiency of existing plant and to 'shake out' labour. In order to ensure its other objective of providing cheap steel to British industry, both Labour and Tory governments imposed price restraints on the industry and thus held down its profitability. The Ten Year Development Strategy, announced in 1973, envisaged the closure of many small plants, the concentration of steelmaking in five big sites — South Wales, Scotland, Teeside, Sheffield and Scunthorpe — and the expansion of capacity from 27m tonnes to 36m tonnes. The steel unions objected to the proposals and emphasised the importance of providing alternative employment for redundant and displaced steel workers. Indeed for several years the unions were extremely reluctant even to negotiate redundancies. 1972 marked a turning point for BSC in its relations with private industry. Traditionally the nationalised industries have often functioned as sources of cheap raw materials and other necessities for private capital, but in 1972 the Tory government revised the Corporation's statutes and wrote into them a target rate of return on capital of 8%. It also relaxed price restraint and paved the way for BSC to become profitable in its own right.<sup>4</sup>

The pursuit of profitability, however, was hampered both by

expensive capital investment and other government policies. Many European governments subsidise the coking coal used in steel making to a far greater extent than in the UK, and therefore allow the steel producers to operate at higher rates of profit or to offer lower prices. Energy costs, especially gas, have recently been reported as 40-50% higher in the UK than in many other European countries. Furthermore, BSC's 'losses' are reduced substantially when heavy interest charges are removed, and their actual operating losses are about the average for European producers.

#### Crude Steel Production (million tonnes)

	1960	1970	1979
UK	24.7	28.3	21.6
West Germany	34.1	45.0	46.0
Italy	8.5	17.3	24.0
USA	90.1	119.3	123.2
Brazil	2.3	5.4	13.8
USSR	65.3	115.9	149.0

Sources: United Kingdom Iron and Steel Statistics Bureau *Monthly Statistics*, Jan 1981, Table 25; *International Steel Statistics Summary Tables*, 1978, pp7-8.

#### The latest closures

Although plant closures proceeded from 1973 onwards as the Ten Year strategy envisaged, the developing world recession made the expansion of steelmaking capacity look increasingly unrealistic. The Department of Industry issued a revised programme, *The Road to Viability*, in 1978 which inaugurated an acceleration of plant closures and downward revision of capacity in line with falling demand. The chief means of effecting this programme was by cutting jobs: in December 1979 the Chairman, Charles Villiers (an ex-merchant banker) declared that the workforce of 167,000 would have to be cut by the staggering figure of 50,000 and capacity brought down to a little over 15m tonnes.

One year later, with Villiers gone, and MacGregor in his seat, the same policy is being reiterated. By December 1980 the iron and steel workforce had been cut from 152,000 to under 130,000, and MacGregor envisaged a further cut of 20,000 jobs, thus aiming for the Villiers target of 110,000 steel workers. BSC's obsession with jobs, manning levels and labour productivity is strange when one considers that labour costs constitute only one-third of unit production costs, but labour is the element in production that is most directly amenable to managerial control.<sup>5</sup> Steel making capacity however is to fall to 14.4m tonnes, at a time when several European steel industries (eg, Italy, Belgium) are raising capacity, though admittedly other European producers are cutting capacity. There are signs, however, that a further downward adjustment of capacity is now less likely as MacGregor has committed BSC to a more aggressive marketing policy and sales drive, in the way that the main steel union, the Iron and Steel Trades Confederation (ISTC) has advocated.

The Corporation's original programme of expansion was undercut by the world recession which gathered force from 1974, as well as by the rapid growth of steel production in the potential export markets of Asia, Latin America and Africa. But the effects of these processes were particularly severe in the UK for four reasons, some of which have already been cited. First the legacy of an undercapitalised private sector was compounded by price restraint and more recently, by government imposition of profit targets. Second, the transformation of BSC into a *profitable* industry is being taken one step further by the present Tory government. Under the Iron and Steel Bill (1981), BSC is relieved of its requirement to meet British demand for iron and steel through public companies, and the door is now firmly open for privatisation of the most profitable sectors of the Corporation. Third,

management itself has committed a number of serious and costly errors, especially through bad investment decisions. Finally, the principal market for BSC's products, namely British manufacturing industry, is being allowed to run down at an alarming rate. Deindustrialisation affects all the advanced capitalist economies as old industries disappear, or jobs increase more rapidly in the service sector. But the *rate* of deindustrialisation in Britain is staggering, and the consequent problems exacerbated by the same lack of home investment that is responsible for the process in the first place.<sup>6</sup>

Although European steel production has recently fallen and world demand is stagnating, the fall in British production is out of all proportion to these trends. In 1978 Britain produced 15% of EEC steel, but 40% of the planned cutback in EEC production in 1980 was to be shouldered by the British industry.

#### THE TRADE UNION RESPONSE

How have the steel unions responded to these developments and, in particular, BSC's strategy of contraction and redundancy?

The major steel union, the ISTC, organises just over 50% of the iron and steel workforce, with the remaining workers belonging to the National Union of Blastfurnacemen (13,000) and thirteen general and craft unions. The steel unions have always shown a strong willingness to cooperate with steel managers in the technological innovations that have taken place.<sup>7</sup> Average earnings have generally been higher than in the rest of manufacturing industry, and even in the interwar depression they were protected to some degree by a sliding scale linked to profitability and output.

The other principal feature of industrial relations in steel is the history of tension between the ISTC and the craft unions. The ISTC is a single industry union, organising workers whose jobs often require considerable training and skill. The craft unions organise skilled workers and have most of their members outside steel. Over the years craft membership has increased in relation to ISTC process workers as technical advances have called for more maintenance work. The unions bargain separately and have their pay determined in different ways. Although there are areas where union cooperation has been good, other plants have witnessed distant or hostile relations. Not surprisingly, therefore, it is the ISTC, whose fortunes are tied to steel, which has made most of the running in union policies since nationalisation.

The continuation of their 'cooperative attitude' was noted only recently by the union's general secretary, Bill Sirs: '... we have never ignored the problems of our industry. The records show this in our moderate wage settlements since nationalisation, in the long list of

<sup>1</sup> Figures are taken from Iron and Steel Trades Confederation *New Deal For Steelhendon* 1980; Dept of Trade and Industry *Steel: Ten Year Development Strategy* London 1973; M Upham, The British Steel Corporation: Retrospect and Prospect, *Industrial Relations Journal*, Vol 11, July-August 1980.

<sup>2</sup> See K Ovenden *The Politics of Steel*, London 1978; P Bowen *Social Control in Industrial Organisations*, London 1976; E J Hobsbawm, *Industry and Empire*, Penguin 1969.

<sup>3</sup> D McEachern 'Party Government and the Class Interests of Capital: Conflict Over the Steel Industry', *Capital and Class* 8, 1979.

<sup>4</sup> *First Report from the Select Committee on the Nationalised Industries: British Steel Corporation* London 1975.

<sup>5</sup> Many issues of *Steel Workers Banner* produced during the 1980 strike criticised BSC's emphasis on the productivity of labour. See also M Upham *op cit* and T Mainwaring, 'Labour productivity and the crisis at BSC: behind the rhetoric', *Capital and Class* 14 (forthcoming).

<sup>6</sup> See S Aaronovitch, *The Road from Thatcherism: the Alternative Economic Strategy* London 1981.

<sup>7</sup> See P Bowen *op cit*.

agreed plant closures and the tens of thousands of jobs lost — 40,000 in the last two years — over 100,000 in ten years'.<sup>8</sup>

The rundown of plants and the loss of jobs were obtained on the basis of relatively large redundancy and severance payments, starting at the Clyde Iron Works in 1977. But the rapid succession of closures and higher redundancy payments — at Hartlepool, East Moors, Ebbw Vale, Shelton — generated a growing resistance. The planned closure of Bilston in 1978 provoked a strike threat from the ISTC, that was rapidly withdrawn when the closure notice was cancelled, but it was the planned closure of Corby which ultimately though only indirectly led to the national strike of 1980.

### Corby

Corby was a medium sized, fairly modern and efficient works which had not featured in the 1973 closure list. Indeed the 1973 Report stated that 'Corby has an assured long term future as a major tube making plant', not least because it was the main employer in the town.<sup>9</sup> The local well organised resistance finally led the Executive Committee of the ISTC to suspend all joint consultation with BSC and call for a one day strike in November 1979. This historic decision to take serious industrial action on closures signified a much greater degree of unity within the ISTC than had existed for some years. Under the 1973 review the workforce had been quite sharply divided into those who were safe — in the big five sites — and those in the smaller and older plants who were under threat. Once the axe was raised over Corby, the position was transformed because it became clear that neither size nor efficiency was any longer an effective guarantee of survival. That this fear was well founded was borne out only weeks later when Villiers announced that 50,000 jobs would have to go.

Nevertheless until late 1979 the workforce as a whole was unevenly exposed to the threat of closure, and the basis for unity in action was therefore limited. The brunt of job losses had been borne by the ISTC and NUB, whilst the craft, ancillary and white collar workers had suffered rather less.<sup>10</sup> Added to this was the fact that the steel unions

## The emphasis on wages promoted what one would expect — a militant, economistic trade union consciousness

had failed to stop a single plant closure (though major redundancies at River Don had been thwarted in 1972), and indeed the record of the labour movement generally in fighting redundancies and closures was far from encouraging. In this context, it was the derisory pay offer of a 2% consolidation of existing earnings with an extra 10% available from local productivity deals that provided the issue which channelled the anger and frustration of steelworkers into a united campaign.

As the World in Action 'Steel Papers'<sup>11</sup> showed, there was certainly collusion between BSC and the government in the lead up to the strike, called by the ISTC on December 7. A few years earlier the Tories, then in opposition, had singled out the steel industry as one where it would be feasible to 'take' a strike if it were necessary.<sup>12</sup> But it would be a mistake to underestimate the simple incompetence of BSC management. They were anxious to tie wages to productivity and saw no way of doing this at national level: hence the emphasis on local productivity deals. However they seriously miscalculated the union's emphasis on the 2% component of the offer, at a time when inflation was 17%, and underestimated the internal strength of the ISTC. Although, having called the strike from January 2, ISTC continued negotiations until Christmas, and some of its leaders seriously thought there would be no strike at all, or that it would be 'short and sharp'. For the ISTC — as a traditionally right wing and relatively



undemocratic union — to call a strike at all though was a major breakthrough. The union was founded in 1917 but its first annual conference was not held until 1976, and even then it was a consultative not an executive gathering. The general secretary, Bill Sirs, shared a platform with the Social Democratic 'gang' at the Labour Party Conference in 1980, supports the right wing 'Campaign for Labour Victory', and recently wrote a strong attack on the Labour Party Wembley Conference decision.<sup>13</sup>

### THE STEEL STRIKE

From the start of the strike the ISTC was clear that victory depended on the maintenance of unity, and that unity could be guaranteed only if the strike was fought on the single, and simple, issue of wages. Bill Sirs' insistence on this theme was quite firm: an inset in the first two issues of the strike newspaper *Steelworkers Banner* calling for a halt to the closures, an enquiry into managerial incompetence and an expansion of steel production, as well as a cost of living wage rise, disappeared from subsequent editions. The BSC management was also 'willing' to fight solely on wages in the expectation that subsequent decisions over jobs would be less strongly contested. Finally, though local militants recognised that the strike involved jobs and the industry's future, as well as wages, they believed that a wages victory would strengthen the subsequent struggles on jobs. This coalition of interests on wages did not preclude the articulation of other issues, and the superbly produced weekly strike paper continually hammered home the message that BSC management was incompetent even in its own terms. Their arguments for closing Corby and other plants were challenged; their accounting was called into question; and their claim that British labour productivity was way below that of European steelmakers shown to be largely, if not wholly, spurious. What then were the effects of the thirteen week strike on the unions and on the future of the industry?

The clearest example of the *cumulative* lessons of struggle was provided by the organisation of picketing in South Yorkshire. Drawing on the extensive experience of the miners, South Yorkshire steelworkers very quickly developed an efficient and effective cell system of local pickets, as well as a militant group of flying pickets. The Rotherham and South Yorkshire strike committees which organised and directed picket operations met daily to monitor and review the progress of the strike, again drawing on experience elsewhere.<sup>14</sup>

It was the organisation of flying, secondary pickets which brought the steel unions into contact with other unions, especially the National

Union of Railwaymen, the AUEW in Sheffield engineering, and the TGWU which organised drivers and dockers. These links have been maintained since the strike, and have been formalised through the Triple Alliance between steelworkers, miners and railwaymen. In view of the traditional isolation of the ISTC, these links undoubtedly constitute one of the most important gains made in the course of the strike.

The second major outcome of the strike is that any lingering faith in the ability or competence of BSC's national management has finally been reduced to zero. The numerous instances of miscalculation, and incorrect and expensive decisions described in *Steelworkers Banner* were all added to several times over in many discussions I had with South Yorkshire steelworkers, and it was clear that the claims of incompetence echoed local experiences. The strike also destroyed any remaining vestiges of credibility possessed by the ex-merchant banker chairman, Charles Villiers, not least because of his obvious collusion with government ministers and his equally transparent denials of it. The union's more aggressive outlook is also symbolised by its retention of the paper *ISTC Banner* in place of its dull and uninspiring predecessor *Man and Metal*.

Finally, the strike undoubtedly widened the growing rift between the more militant section, especially South Yorkshire and South Wales<sup>15</sup> and the more conservative sections of the union. Bill Sirs' prevarication over the private steel sector, which was allowed to work during the first 25 days of the strike, provoked the Rotherham strike committee to pass a resolution calling for his resignation, and criticism of the pro-Sirs leadership was intense and almost continuous throughout the thirteen week strike. Yet it would be a gross mistake to conclude that a solid bloc of steelworkers could therefore be mobilised against the current leadership. At the ISTC's one day conference in November 1980 the general secretary's report was reasonably well received and criticism of the leadership was muted and sporadic. This fact alone suggests that the effects of the strike on class consciousness may have been contradictory and uneven, a suggestion that is amply borne out by further evidence.

Despite initial strong feeling, union commitment to the blacking of scab lorries gradually waned, and a meeting called at Northern College on May 26 to discuss the lessons of the strike was attended by only 20 steelworkers. The strong feeling that did remain was largely punitive, and expressed in hostility towards non-striking steelworkers. On the other hand, the threat of redundancy is a reality for many steelworkers and recently brought thousands onto the streets in Scunthorpe.

## THE STRIKE AND CONSCIOUSNESS

Taken together these examples show there is no simple relationship between strikes and class consciousness, and from mere participation in a strike we cannot read off a corresponding elevation of consciousness.<sup>16</sup> The reasons for this are fourfold, and the first concerns the *demands* of the strike. The tactical concentration on wages has already been mentioned and was epitomised in the slogan '20% — no strings' which was coined in South Yorkshire and widely taken up. The emphasis on wages promoted what one would expect — a militant, economic trade union consciousness which does not necessarily (and in practice has not) generalised into a more comprehensive, political consciousness. The political consciousness does not emerge directly from the experience of struggle, but rather such experiences have to be *interpreted* by local and national leaderships.

The ideological role of leadership — the second factor in the strike — is well illustrated by reference to the mass picketing organised at private steel firms and docks in February. These pickets were



frequently broken up by violent police tactics involving snatch squads and arbitrary arrests, and pickets naturally defended themselves against this harassment. On the day following one of these pickets, the Rotherham strike committee discussed the events, and whilst several interpretations were put forward, the dominant interpretation

<sup>8</sup>*Man and Metal* Dec 1979.

<sup>9</sup>*Steel: Ten Year Development Strategy*, *op cit*, para 58. Steelmaking (as distinct from tube-making) was to continue for 'at least' the rest of the decade with a final decision to be made in the mid 1970s. On resistance to the Corby closure, see B Rowthorn 'Corby and the steel crisis', *Marxism Today* Dec 1979.

<sup>10</sup>See M Upham, 1980, *op cit*.

<sup>11</sup>Excerpts were printed in *Steelworkers Banner* Number 7, Feb 1980.

<sup>12</sup>This position appeared in the notorious *Ridley Report*.

<sup>13</sup>*ISTC Banner*, Feb 1981.

<sup>14</sup>See for instance the excellent book by Malcolm Pitt, *The World on Our Backs: Kent Miners and the 1972 Strike* London 1978.

<sup>15</sup>ISTC militants had unsuccessfully attempted a few years earlier to introduce mild democratic reforms into the union's election methods. See *Steel Workers and Reform*, published by the Liaison Committee for Constitutional Reform (ISTC) 1979.

<sup>16</sup>See also E J Hobsbawm 'The Forward March of Labour Halted?' *Marxism Today* Sept 1978.

focused on the class nature and role of the police and the lengths to which they were prepared to go in order to defend private property. A few days later a similarly violent mass picket on the East Coast was discussed at the Scunthorpe strike committee. The dominant view there (and again there were minority views) was that in any organisation you would always find 'a few bad apples' and some police violence was probably inevitable, though obviously reprehensible. In one case then, the dominant view was a *class* analysis, but in the other, a personalised explanation was advanced, for the same phenomenon: police violence against pickets.

The third factor linking strike participation and consciousness is the *organisation* of the strike, and especially of picketing, at local level. Discussion of picketing is often focused on its more sensational aspects, usually violence, and the celebration of picketing by the ultra left often mirrors the proclivities of Fleet Street journalists in search of a story, and of Tory reactionaries eager to curb trade union power. Undoubtedly some of the steel picketing was violent, and very often this was defensive and wholly justified. At the same time, even the official South Yorkshire police report on the strike goes so far as to say that 'it must be accepted that during the majority of the time there was no confrontation between the police and pickets and relationships were extremely good'.<sup>17</sup> Much of the local picketing in South Yorkshire was in fact both quiet and peaceful, and although the success rate measured by the number of plants shut down or seriously affected, was very uneven, there was undoubtedly an impressive degree of solidarity shown by some haulage drivers.

Local pickets in the Rotherham area were allocated into picket cells controlled by a marshal who was then responsible to the strike committee. After the first few chaotic days of the strike during which picket cells were frequently shifted from one plant to another, most of the cells were assigned to plants where they subsequently remained for the duration of the strike. This orderly distribution of pickets by the strike committee was only possible because of the commitment of

## there is no evidence that the three month strike had more than the most marginal effects on the major steel users

the pickets and because of their organisation in a quasi-military command structure. Yet this same structure also served to create a gulf between *some* of the pickets and the local strike leadership. The rank and file pickets often worked a regular system of shifts, and between themselves and the strike committee there stood a hierarchy consisting of a shift leader and the picket marshal. Although many pickets did attend weekly mass meetings to receive progress reports on the strike and on negotiations, many had little direct involvement in the key areas of decision-making.

### The outcome of the strike

There was then *some* tension between *efficient* organisation and democratic organisation, and whilst this is certainly not inevitable, and during the steel strike was probably not *critical* (not least because of regional variation in organisation) it *does* have consequences for the effects of the strike on class consciousness. In particular it is possible that minimal or routinised involvement in strikes may produce only marginal effects on the strikers themselves.

Finally, of course, the *outcomes* of the strike are possibly the most important factor influencing its effects on class consciousness. Certainly the final steel settlement — an increase on basic rates of 11% plus a productivity bonus of 4.5%<sup>18</sup> — was interpreted in many quarters as a defeat. The Rotherham strike committee faced vocal, if minority, opposition at the local mass meeting held on 2 April to

announce the return to work, despite its own insistence that the settlement was unacceptable. Even the EC of the ISTC recorded its 'disappointment' at the settlement, and its negotiating committee recommended acceptance only by 42 votes to 27. Even if this negative assessment was not wholly shared by the membership, no one doubted that a three month strike with loss of earnings was a heavy price to pay for the results obtained. It is probably fair to say that the strike did engender a militant trade union consciousness among a section of the workforce. But one of the ironies of the strike is that working class unity was built up far more significantly *outside* steel than within it. On the one hand, there is the Triple Alliance, and the many local initiatives involving joint committees of dockers, drivers, and other groups. On the other hand, substantial *disunity* remains *within* the industry and was starkly illustrated in response to 'the MacGregor Plan' of December 1980, nine months after the strike. The new chairman planned to reduce Corporation manning to approximately 110,000 from its present 130,000, and to impose a six month pay freeze. Only the ISTC unequivocally opposed both proposals: the GMWU accepted them both saying there was no alternative, and the other steel unions took similar though not identical positions. The result of BSC's ballot showed a large measure of support for the Plan: 63,237 voted for and only 17,900 voted against. But the ISTC ballot showed big majorities against the pay freeze and the job cuts.

### COULD IT HAVE BEEN DIFFERENT?

Could the outcome and aftermath of the strike have been different? And what was the role of the national leadership in the course of the strike?

To a large degree the outcome of the strike must be laid at the feet of the national union leaderships if only because at no stage did they apparently sit down and consider precisely what action had to be carried out in order to win the strike. The organisation of the strike within the ISTC for example, was left entirely in the hands of the Divisional leaderships. This strategic omission rested on the fact that BSC produced in 1979 80% of UK steel output, and held 54% of the domestic market. It was therefore easy to think that simply cutting off this production would before too long have dramatic economic effects and would cripple major sections of industry. But the ISTC claims to the contrary notwithstanding, there is no evidence that the three month strike had more than the most marginal effects on the major steel users, and the reasons for this astonishing lack of impact reveal a series of key trends in domestic and international steel production.

The international capitalist recession was hitting several major British steel consumers, notably cars, engineering, shipbuilding and construction. Coupled with this is the fact that privately owned steel stockholders expanded their operations and their stocks considerably in 1979. One of the largest concentrations of private steel stockholders in the UK is the West Midlands, but this is an area where the ISTC has *relatively* few members, and BSC few plants.

### Steel imports

It is also clear that despite the massive picketing of ports and harbours, steel imports rose considerably during the strike as the following figures show.

### Steel Industry Product Imports<sup>19</sup>

('000 tonnes, monthly averages and figures)

	1980								
	1977	1978	1979	Jan	Feb	Mar	Apr	Aug	Sep
	309.9	306.0	315.3	256.4	321.5	346.7	712.9	280.4	296.9

The four major European sources (in order) were West Germany, France, Belgium and the Netherlands, and these countries alone accounted for 77% of the increase in imports between January and April 1980. The economic consequences of the strike are difficult to disentangle from the effects of the deepening recession, but a spokesman for the private steel producers said towards the end of 1980 that BSC very quickly made up for orders lost during the strike.

Unlike the other major basic industry — coal — also nationalised because of the inability of private capitalists to modernise, steel has only an indirect relation with private, individual consumers. A coal strike can rapidly cut power supplies to millions of people, but the effects of a steel strike have no such immediate effect on the 'public'. In the middle of a major recession, with alternative supplies available and stocks high, winning a steel strike is an altogether more difficult task.

Certainly the ISTC Executive could, and should, have pulled out the private sector workers from the start, and should have developed a strategy aimed at crippling key industries or plants. The ISTC general secretary, Bill Sirs, must accept a large measure of responsibility for these omissions. On the other hand, the dependence of the steel industry on a series of domestic industries that are themselves in decline set crucial limits on what could be accomplished within the boundaries of a single industry.

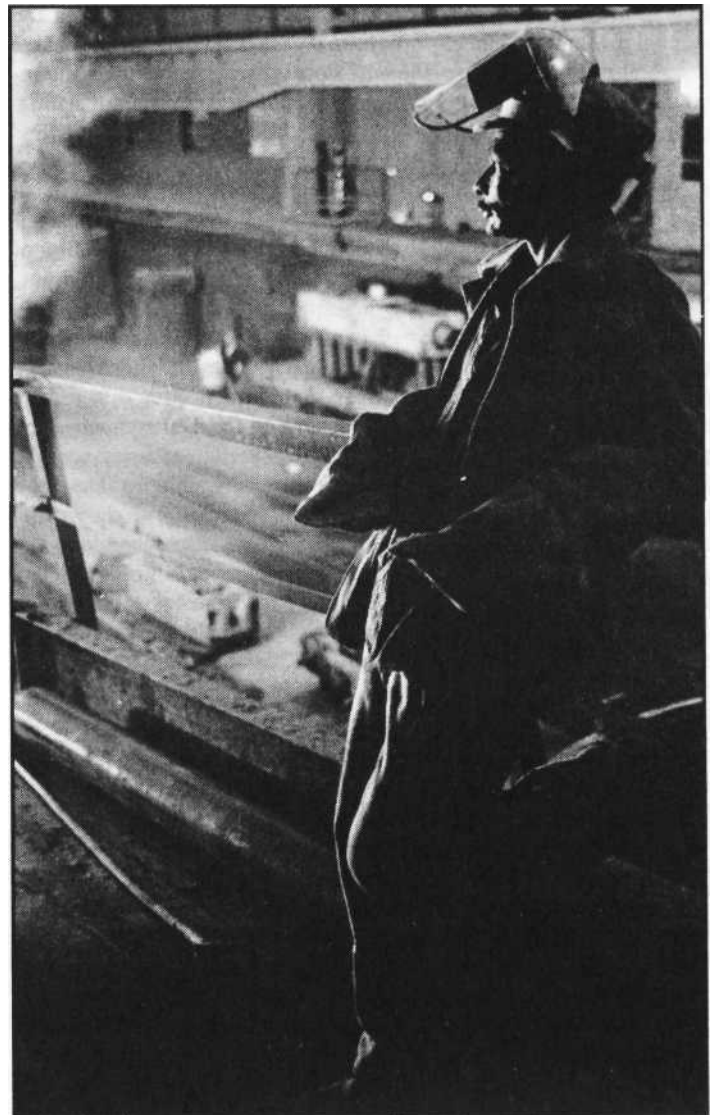
### AN ALTERNATIVE STRATEGY FOR STEEL

This dependence also has implications for an alternative strategy for steel aimed at economic regeneration and job preservation, and points to the need for a strategy that goes beyond the confines of the steel industry itself. After the strike, the ISTC did actually produce an 'alternative strategy' entitled *New Deal For Steel*. Sirs however, remained lukewarm on the need for a campaign around this alternative, because *New Deal* was essentially a union business proposal and not a mobilising document. As he himself wrote in the preface: 'Our alternative strategy is to cut costs by a number of much needed and sensible savings. This would allow BSC to cut its prices as part of a totally re-thought aggressive commercial policy. Within this policy would be a strong export drive, improved quality of steel and flexible responses by BSC to market demand'.

That indeed is an apt summary of the *New Deal*, and its modesty is underlined by the qualified support it has received from the new chairman of the Corporation, and the fact that several of its recommendations — a cut in prices, debt write-offs and an export drive — have been accepted by BSC.

It is certainly the case that BSC exports have been concentrated in slowly expanding markets, such as the EEC, rather than in less developed countries, a fact that has been used to support *New Deal For Steel's* 'aggressive marketing' policy. But it is also true that BSC has always functioned primarily to service British capital and has sold most of its steel domestically. The continuing deindustrialisation of Britain is a problem that could far outweigh the potential gains from possible overseas markets.

To some extent *New Deal For Steel* is a limited extension of the cooperative posture long taken by the steel unions, and it is this traditional position which has yet to be replaced by a viable alternative. BSC has enjoyed considerable success in undermining opposition to closures and job losses by paying out large sums of redundancy money. One sign of ISTC's current confusion and weakness was clearly revealed at its one day National Consultative Conference, held on November 22 last year. Bill Sirs cited cases of closure where he had been willing to fight but local acceptance of redundancy pay had prevented him from doing so. Indeed steelworkers at Port Talbot recently signed a redundancy agreement



before informing union head office. But it is also true that several delegates made the opposite point, charging the national leadership with failure to lead and organise a fightback that could gather local support.

### What kind of alternative?

The aim of an alternative strategy for steel cannot be confined to an economic regeneration of a single industry, as the ISTC's *New Deal For Steel* suggests. The industry is so closely tied to domestic steel users that any attempt to expand steel production without also expanding these other, user industries is bound to fail. And if the alternative strategy of the Left is to transform social relations and involve people in struggle it cannot exist merely as a set of economic demands drafted at national level.<sup>20</sup>

The national character of the alternative economic strategy is well suited to an industry such as steel which can only be effectively regulated at this level. But at the same time this feature of the industry

<sup>17</sup> South Yorkshire Police *The National Steel Strike 1980*, p11.

<sup>18</sup> The full text of the agreement, with its other conditions, was reprinted in *Steel News*, 10 April 1980.

<sup>19</sup> Figures are taken from *Monthly Steel Statistics*, Iron and Steel Statistics Bureau, Feb, Apr, Sept 1980, Table 22.

<sup>20</sup> See B Rowthorn 'The Politics of the Alternative Economic Strategy', *Marxism Today* Jan 1981.

sets limits on what can be achieved at local, plant level as the campaigns against plant closures have revealed. Even at Corby, where the steel unions united in the anti-closure struggle, secured the involvement of local community groups and organised a substantial propaganda and publicity campaign, the plant was nevertheless closed. In this respect delegates to the ISTC November 1980 conference were correct to argue for the importance of national leadership in the struggle against the general policy of steel contraction, since this would dramatically raise the probability of defeating the BSC's plans. As one conference delegate pointed out, 'workers will only fight if they believe they can win.'

The major obstacles in the path of effective struggle and democratic planning are the existence of private steel plants and stockholders, and the under development of trade union unity. Although private sector steel making is now suffering from the recession as much as the public sector, and is receiving little direct government assistance, the long term plans of the Government are extremely ominous. Despite a recent massive injection of finance into BSC, coupled with the writing off of a £4500 million debt, the Government has never abandoned its aim of privatisation of the public sector, a fact made abundantly clear in the new Iron and Steel Bill (1981). If the industry is once more broken up into competing private units the goals of planning and trade union unity will recede into the distance, and this is why complete public ownership of all iron and steelmaking, and stockholding plant is essential.<sup>21</sup>

From the standpoint of trade union unity the steel industry shows problems now that are similar to those faced by miners in the past. In a period of economic boom, multiunionism and decentralised bargaining provide considerable opportunities for workers to exploit their bargaining power in order to improve earnings and conditions. Well organised plants can set the pace and provide comparisons to be

## an industrial economy must retain its own steelmaking capacity if it is to avoid dependence on other capitalist powers

followed elsewhere. But during economic crisis this fragmentation works to the disadvantage not the advantage of the workforce as plants endeavour to protect themselves at the expense of others. Unified bargaining could well overcome some of these difficulties within the industry. Externally, it is impossible to overestimate the importance of local links with trade unions from other industries, especially where those industries are major steel users.

Recent experience shows however that economic integration and trade union unity are necessary but not sufficient conditions for the conduct of effective struggle against deindustrialisation. The leadership of the ISTC cannot be relied upon to organise *campaigns* around a radical alternative strategy. But the experience of the strike suggests that the militancy arising from intense class struggle is also insufficient, and that clear, ideological perspectives must be developed by political leaderships within the unions.

But when a left Labour government is returned to office, what policy ought it to pursue for steel? How far should production be expanded? Is it feasible to retain a steel industry in the light of world expansion of steel production? This last issue was noted in the general secretary's report to the ISTC conference in November 1980, as was the introduction of production quotas on four categories of steel by the EEC Council of Ministers. Yet it was symptomatic of the level of consciousness within the union that not one delegate came forward to speak on these sections of the report. The widespread use of steel throughout manufacturing means that an industrial economy must retain its own steelmaking capacity if it is to avoid dependence on the


other capitalist powers who are currently Britain's main trading partners. All the major European steel industries (apart from Belgium) are *national* enterprises producing primarily for domestic markets. Furthermore, by contrast with industries such as textiles, steel feeds into many branches of production. In the context of implementation of an alternative economic strategy by a socialist government, economic dependence on foreign capitalists could prove fatal. In the longer term economic integration of a socialist Western Europe (along the lines of Comecon) may well render steel industries superfluous in particular countries, but until that stage is reached the preservation of manufacturing industry and the maintenance and expansion of living standards requires a national and nationalised steel industry.

### Summary

To sum up then, an alternative strategy for steel can be produced only as part of a strategy for simultaneously preserving large sectors of manufacturing industry. But such a strategy should not be seen simply as a set of economic policies, as a technical solution to economic problems, but as a *political* strategy that can mobilise large numbers of people. The multiunionism in steel continues to pose a barrier to the unity needed for such struggles notwithstanding the unity that is being achieved between steel and other workers. Unity within the industry began to emerge from the 1980 strike, but the effects of the strike on organisation and consciousness were complex and fragile and cannot be taken for granted.

<sup>21</sup>See CPGB, *A Real Future For Steel*, London June 1980.

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