

# Australian steel unions enforce destruction of jobs and conditions

By Richard Phillips  
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The Australian Workers Union (AWU) and other steel industry trade unions are attempting to bully thousands of steelworkers into accepting the destruction of hundreds of jobs, along with and hard-won working conditions, at BlueScope Steel's Port Kembla plant, south of Sydney.

The AWU, which covers 95 percent of workers at the plant, has pledged to give BlueScope, within the next few weeks, a list of cost-cutting measures worth \$200 million annually. The company threatened early last week to shut down the plant, axing 4,500 jobs, unless cutbacks were implemented.

In order to enforce the cost-cutting measures and block any resistance by their members, the unions are whipping up anti-China chauvinism, effectively blaming Chinese workers for the destruction of steel jobs in Australia. The unions have issued appeals to the Abbott government to impose tariffs on imported steel and take other retrograde protectionist measures.

AWU Port Kembla branch secretary Wayne Phillips and South Coast Labour Council secretary Arthur Rorris bluntly told a mass meeting of about 700 steelworkers in Wollongong yesterday they had "no choice" but to accept the cuts.

On top of the destruction of 500 jobs, delivering \$50-\$60 million in savings, the unions made clear there would have to be an assault on working conditions. Phillips said the unions' proposals would be presented to the company in talks beginning in the federal government's Fair Work Commission on September 18.

On the eve of the meeting, AWU national secretary Scott McDine issued a media statement emphasising that the unions were "engaging openly and constructively about how best we can achieve" the company's demands. He declared that "the interests of

BlueScope and the interests of workers in the Port Kembla steel industry are, for the most part, aligned."

In other words, workers must be totally subordinated to the profit interests of BlueScope, a spin-off from BHP-Billiton, the global mining giant.

Yesterday's meeting underscored the reality that the unions function as direct agents of management and the capitalist profit system. They are establishing new benchmarks in what is an escalating offensive against the working class, not just in the steel but throughout the economy. The starting point of any struggle by the working class to defend jobs and working conditions must involve a political rebellion against the unions and the entire profit system.

Phillips opened the meeting by declaring that unless workers endorsed the union's collaboration with the company they would be responsible for the closure of the steel plant. He claimed that the job destruction and cost-cutting would "save" the plant.

The unions have repeated this lie time and time again as they have worked closely with governments and the management to impose the destruction of 30,000 steelworkers' jobs in Port Kembla over the past three decades. The same lies were repeatedly told to car workers who now confront the closure of their entire industry.

Phillips and Rorris presented a resolution that committed the unions to doing "whatever is reasonable to keep Port Kembla steelworks open and viable," including "indemnifying productivity improvements and cost-saving initiatives throughout all areas of the business." The resolution guaranteed no industrial action during the talks with management in the Fair Work Commission.

"We have a lot of ideas about how to save the company a lot of money," Phillips said. "We have the

opportunity to make real, ongoing savings in the industry.”

As a diversion, Phillips said the union would advocate cutting supervisors’ jobs. But he crudely insisted that workers had to accept the dismantling of their jobs and conditions. “I know we’ve been presented with a s..t sandwich but we have the opportunity to spread it around so that everyone has to have a bit of it,” he said.

Phillips made it plain that the union would tolerate no opposition to its agenda. Strike action to fight the company cuts, he said, “will only lead to the plant’s closure.” He declared: “We can’t take that step... If BlueScope makes the decision to close in November, the whole place can be shut down in six months.”

While the official resolution was overwhelmingly passed, the atmosphere in the meeting was sullen and indicative of a widespread distrust by the steelworkers towards the unions. There were only a handful of questions and no debate from rank-and-file workers, who have been subjected to years of attacks on jobs and working conditions imposed by the unions.

Arthur Rorris told the meeting that cheap Chinese steel was being “illegally dumped” on the world market. He called for the federal government to only use Australian-produced steel in government projects and demanded that Treasurer Joe Hockey use “executive power” to impose “emergency safeguard tariffs to protect the steel industry.”

Rorris declared: “If the government does not act now, Australia will have the dubious honour of being the only steelmaking country in the world to have surrendered our steel industry and our market to illegal dumping without having fired a shot.”

The whipping up of anti-China chauvinism and appeals for tariffs are attempts to disorient BlueScope workers, and divide them from the steelworkers around the globe, including in New Zealand, across the US and in China, who also face the destruction of their livelihoods as a result of a precipitous slump in steel demand and prices in China and internationally.

Far from being the enemies of Australian workers, their Chinese counterparts are in the same trench. In one steelmaking city alone, Tangshan about 100,000 workers have either have lost their jobs or are expected to lose them in the next few years.

In every country, the trade unions are blocking any

independent mobilisation of the working class against the profit system, which is the real cause of the destruction of jobs.

The unions’ reactionary nationalist proposals are heading toward increased protectionism, trade war measures and ultimately military conflict—with catastrophic consequences for the entire working class.

The joint union-management assault being unleashed against the BlueScope workers can be answered only in a direct political struggle against the trade union apparatuses and the capitalist profit system. As a first step, BlueScope workers should form independent rank-and-file committees and turn to other sections of the working class, in Australia and internationally, facing similar attacks.

Such a struggle, however, requires a new political perspective—the fight for a workers’ government based on a socialist program. The steel industry, mining and other key industries, including the banks, must be placed under public ownership and the democratic control of the working class, with production organised according to the social needs of the majority, not the wealthy elites.

We urge steelworkers to contact the Socialist Equality Party and begin a discussion on these essential questions.

To contact the WSWS and the  
Socialist Equality Party visit:

<http://www.wsws.org>