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HONDURAS COUP: P10

The panther and the politician

JONATHAN FARLEY: P12



Steel giant deals blow to Teesside

1,700 workers face the dole after Corus announces factory closure

by Will Stone

STEELWORKERS called for government intervention to save a giant factory on Teesside yesterday following the devastating announcement that it is to close with the loss of 1,700 jobs.

Steel manufacturer Corus, a subsidiary of India's multinational conglomerate Tata Group, announced that its site at Redcar on Teesside will shut in the new year, dealing a huge blow to the local economy.

Unite called on the government to deliver an urgent rescue package to stop the plant from being mothballed.

Joint general secretary Derek Simpson said: "This is absolutely devastating news for the men and women who work at Teesside. It is a dark day for British manufacturing.

"Unite will do everything possible to prevent this closure from going ahead.

"The government must now act to save Teesside as decisively as it acted to save the banks last year. The plant needs urgent financial support to secure a future for the workers and prevent its closure."

GMB national officer Keith Hazlewood said: "This is devastating news for Teesside and shows how fragile the recovery from the recession is proving to be.

"What a terrible contrast between the 1,700 workers losing their jobs on Teesside and the multimillionaire bankers continuing to gorge themselves at the expense of the taxpayers."

And Community union general secretary Michael Leahy said

Corus had made a "pre-mature" decision because it had orders on its book to the end of the year.

He said Corus had a "moral and social obligation to Teesside steelworkers who have moved heaven and earth to rescue the plant and save their jobs."

The Teesside Cast Products factory set up a 10-year contract in 2004 to supply slab steel to a consortium of four buyers.

But the consortium failed to fulfill its obligations to buy around 80 per cent of the plant's production and the factory's future was placed in doubt when its main customer ended a purchasing agreement earlier this year.

Corus claimed that, since the consortium broke the legally binding agreement, it has been forced to secure external orders on an ad-hoc basis, which has cost the company around £130 million.

However, the Tata Group has raked in astronomical net profits of over \$1 billion (£600m) in 2007 and over \$3bn (£1.6bn) last year.

The government has offered £5m training support to Corus in an attempt to improve the situation.

Business Secretary Lord Mandelson said it was "disappointing" Corus had not been able to find a long-term solution to the difficulties it flagged earlier this year.

He said the steel industry overall had suffered an unprecedented fall in demand in the global recession and that this would be "a very difficult time for the workforce."

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Star comment: p10



END OF THE ROAD: Corus workers and supporters protest against the steel plant's (inset) closure earlier this year



Workers protest at Twinings AGM

►► NEWS: P5



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►► WORLD: P7



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►► BOXING: P20