

ers in northern Italy who conspired to commit a giant tax fraud that cost the national treasury at least \$2.2 billion over a 10-year period. Seventy people had been jailed at last report, and investigators have said that over 2,000 people may eventually be implicated.

The fraud was perpetrated by falsifying documents to allow gasoline to be transported as home heating oil, which is taxed at a fraction of the rate on gasoline. In Italy, petroleum products must be accompanied at all points in the storage, refining, and transportation process by tax documentation. The system is ostensibly enforced by a special police unit, the Financial Guard.

The tax evasion network was covered up, however, by systematic bribery by oil businessmen of Financial Guard officials, and the politicians that the Guard is responsible to. Industry Minister Bisaglia has been accused of playing a central role in both the organizing of the network and its coverup. Furthermore, the Christian Democratic head of the Senate finance committee is facing demands for his resignation after reports that he buried a report on the network for two years. Two Socialists, both prominent lawyers and undersecretaries in the present cabinet, are accused of accepting bribes from an oil businessman.

### Using a disaster

Meanwhile, the death tolls continue to climb in the devastated earthquake region. Army General Antonio Tamburrino contradicted official estimates of the earthquake's death toll—which set 5,000 as the upper limit of those killed—by saying that there were at least 10,000 deaths in the province of Avellino alone.

The president of the Italian Senate, Christian Democrat Amintore Fanfani, in an alliance with Craxi and the N'drangheta mafia, has proposed that the homeless victims of the earthquakes be forced to remain in the devastated area while aid is brought in. The Communist Party leadership and Christian Democrats around ex-premier Giulio Andreotti have called for survivors to be relocated into hotels outside the area until homes can be reconstructed and sanitary conditions established.

If the victims are forced to remain, thousands of the survivors may die. Already old people and young children have begun to die as a result of continued exposure to freezing conditions and with no shelter but hastily erected tents. The predictable spread of diseases has already begun to appear as a result of the filthy, exposed, and undernourished condition of the victims.

It is the confusion and anguish generated within the population by the horror created by the quake which the Socialist Party, under Craxi, is attempting to manipulate for the fascist designs Piccoli has accused them of. By pitting the president of the republic against the prime minister and his cabinet, Craxi has managed a new constitutional crisis.

## WEST GERMANY

# Dortmund fights deindustrialization

by Luba George

On Nov. 29, the city of Dortmund, West Germany, was the scene of mass demonstrations. Over 70,000 workers, businessmen, and their families mobilized to protest the shutdown of the area's steel industry and to demand that a new high-technology steel plant, now stalled because of recent steel-export quotas issued by the Brussels Commission of the European Community (EC), be built immediately.

The demonstration followed by two weeks the announcement by the huge Hoesch Steel Company that it could no longer implement a 1979 agreement with the trade unions to build a new oxygen-process steel mill that would be one of the most modern and technologically advanced in the world, to compensate the planned layoff of 4,200 steel workers by 1983. Hoesch is planning to shut down some of its older, obsolescent facilities.

Immediately after Hoesch had made its announcement, workers formed a picket line around Hoesch headquarters, carrying signs demanding immediate construction of the new steel plant. Dortmund's mayor had addressed the demonstrators, and compared the Hoesch closures imposed by EC steel-export restrictions to the post-World War II period when the British occupation army tried to dismantle German industry. "We, our wives, and our children lay down on the machines and kept them from being stolen by the British. This time, everyone in Dortmund is willing to do similar things," he said.

### The Davignon plan

The fight in Dortmund has become a test for West Germany. This city of 730,000 in the highly industrialized Ruhr area has been, like America's Midwest, consistently disparaged as an agglomeration of "sunset industries." The Davignon Steel Plan, which is the instrument for carrying out the destruction of Europe's "sunset" steel industry, calls for Europe and West Germany to forcibly reduce their steel capacity and exports by 18 percent. The plan is named for Etienne

Count Davignon, head of the EC's Industrial Commission.

Under the Davignon plan, West Germany would have to forcibly reduce its present 44-million-ton production output to 36 million tons, a level barely 50 percent of that reached in 1974.

The plan is being carried out over the opposition of steel companies, trade unions and industrialists, with the same arguments as those used to scrap steel and auto production in the United States. And it is the technologically modern German steel industry that is being hit the hardest.

### The modernization question

The city of Dortmund is not simply fighting to stop the destruction of the steel industry, but is fighting for modernization as well. On Nov. 14, the Dortmund City Council passed a resolution demanding not only the construction of the oxygen-process steel mill, but basic improvements in industrial infrastructure to support the continued economic development of the region, including construction of a nuclear power plant and expansion of regional waterways and canals, and the construction of new streets and highways.

Regional press coverage of the Dortmund events stressed the fact that this highly unusual mobilization was clearly favoring high-technology solutions and nuclear energy. The *Westdeutsche Allgemeine Zeitung* played up this nuclear angle in its coverage of Dortmund's mayor, Herr Samtlebe, in his address to the demonstrators during the Nov. 29 demonstration. Under a banner headline "Nuclear Energy must Save Dortmund," the *Zeitung* quoted Samtlebe on the importance of nuclear energy for "improving the competitiveness of the eastern region of the Ruhr" as a whole.

The move to broaden the fight to include nuclear energy development was extended even further by the European Labor Party (Europäische Arbeiterpartei—EAP), which played a pivotal role in the Dortmund demonstration, of which it was a cosponsor. The EAP had challenged the demonstrators to take up a fight for full implementation of the European Monetary System (EMS) as the most efficient means of ensuring that the demands in the Dortmund resolution would be met.

In an open letter to the city leaders welcoming the passage of the City Council's resolution, the EAP urged West Germans to push ahead with the consolidation of Phase Two of the EMS—the European Monetary Fund—so that the necessary long-term, low-interest credits and financing will be available for industrial expansion and exports. The open letter asked to amend the resolution to include a demand for withdrawal of steel-production quotas imposed by the EC Commission and a demand that Phase Two of the European Monetary System be immediately implemented.

The fight currently taking place in Dortmund is not merely a fight for Dortmund's survival as an industrial center of West Germany; it is a fight against the zero-growth and post-industrial Malthusians such as the Club of Rome and the German Marshall Fund, which have targeted Dortmund as a model for deindustrialization for West Germany as a whole.

The actual shutdown of Dortmund's industry began 11 years ago with a wave of steel plant and coal mine closures resulting in over 39,000 layoffs and a permanent reduction of the skilled work force.

Figuring largely in this planned shrinkage of Dortmund is Social Democratic Party (SPD) chairman Willy Brandt, also chairman of the World Bank's Brandt Commission, and long an advocate of "appropriate technologies," i.e., labor intensity, for the developing sector.

Brandt had initiated several studies calling for the replacement of most of Dortmund's heavy industry with "more manageable" handicraft industries to provide a dependable, labor-intensive, employment base for Dortmund's "overly skilled" population. The objective, according to the Brandt-commissioned studies, was "to literally remake the economic base" of Dortmund.

A May 1980 report by the German Marshall Fund calls for Dortmund to become a model of "planned economic transition"—a euphemism for Brandt's deindustrialization—which it says "is succeeding." The German Marshall Fund report says:

During this time, Dortmund lost population and the exodus was not discouraged—in fact, it was viewed as an asset. . . . It's a good thing when fewer workers drink more beer than ever before. . . . Dortmund also turned its high unemployment rate into an economic asset. It advertised its large available and trainable labor supply as a source of immediate and future employer satisfaction. . . . Special programs were set up for the female labor force—a tactic that contributed to Dortmund's ability to attract and maintain small/medium-size firms. . . . The program encourages the small [less efficient] low energy-based industries.

The German Marshall Fund's proposals are supported by the Academy for Contemporary Problems based in Columbus, Ohio; the University of Reading, England; and the Deutsches Institut für Urbanistik in West Berlin, Germany. The Institute für Urbanistik has been the coordinator for these "managed growth" and "planned economic transition" programs in West Germany. The University of Reading is connected to the Tavistock Institute in Sussex, England, and has been central in formulating global de-urbanization and deindustrialization plans.