

International post-industrializers plot against German steel

by Rainer Apel

In the winter of 1981-82, German steelworkers in the Ruhr region, the country's industrial heartland, fought against the policy of industrial shrinkage imposed by the European Commission under Count Étienne Davignon. They held demonstrations for the construction of a new oxygen-furnace steel plant in Dortmund which would secure their jobs, and they even sent a delegation of workers' representatives to Bonn to talk to Chancellor Helmut Schmidt. Since Schmidt was a Social Democrat like most of them, they expected him to act, and he promised to do so—but he did nothing. Instead, Schmidt sent one of his assistant secretaries in the government, Detlev Rohwedder (also a Social Democrat), to become the new head of the Hoesch steel plant in Dortmund, which was the center of the steelworkers' fight. A very dirty operation was launched against the steelworkers, an operation in which leading officials of the German metal workers' union (I. G. Metall) and the Social Democratic Party (SPD) played a key role.

Today, the I. G. Metall union is gearing up for strikes, with the union bureaucracy demanding a 35-hour week to spread the unemployment around. These union officials and SPD leaders have no intention of defending the living standards of the workers, nor do they have any desire to save the steel industry and expand its production. They have joined up with the social scientists in the think tanks who are mapping out the Brave New World of a "post-industrial society," the dismantling of the steel industry, the emigration of much of the labor force, and the transformation of the Ruhr into a bastion of the "information society."

One of the culprits behind this scheme is Wolfgang Roth, the economic policy spokesman of the SPD, who lifted the veil in a recent background discussion. "One thing is certain," he said. "We have an overcapacity of 30% or maybe even 40% in steel. This has to go." While characterizing the situation in Great Britain, where British Steel cut its total employment of steelworkers by more than 40% in no more than three years as a "brutal policy," Roth said that "at least the British have solved the problem of overcapacity, while we are still facing the problem." As far as the jobs of Ruhr steelworkers go, Roth said: "I learned that if you tell the workers the brutal truth, they are shocked at first, but then they have at least a chance to accommodate to reality. I've

had that experience several times, when I went to Hoesch and talked to the workers there." Roth stated that "speaking of a future for steel will only create false expectations, and heavy disappointment will ensue."

Despite Roth's recommendation to tell the "brutal truth," the Social Democrats and labor bureaucrats have lied to workers about their intentions. While I. G. Metall officials told protesting steelworkers in 1982 that "as many jobs as possible will be saved," that there would be a "tough fight against Davignon's plans to lay off 25,000 German steelworkers," the so-called "Steel Bureau" of the metal workers' union spoke privately of 33,000 that "will have to go." The eggheads in the regional ministry of economics even went beyond that and spoke of "45,000 or even 60,000"—but not in public, naturally, because that adds up to one third of the Ruhr's total number of steelworkers!

The steelworkers in the Ruhr, and at the Hoesch plant in Dortmund especially, were not told that their regional Social Democratic government was cynically maneuvering behind their backs. A delegation of "experts" visited England to get a personal impression of how British Steel had made it into the post-industrial era. These impressions were worked into a scheme for a post-steel era in the Ruhr, too, together with a program for the creation of so-called "technology parks," modeled on the plan for the dismantling of the Pittsburgh steel industry originally worked out by the Carnegie-Mellon Institute.

The role of the think tanks

Contacts have been established between Carnegie-Mellon on the U.S. side and the Ruhr Research Institute for Innovation and Structural Policy (RUFIS) at Bochum University and the Social Democratic Friedrich Ebert Foundation in Germany, as well as between the Hudson Institute in New York and the Institute for Studies on the Economy and Society (IWG) in Bonn. These channels have allowed a flow of post-industrial ideas going back and forth across the Atlantic, shaping policy in Germany along the lines of the Pittsburgh model.

In December 1982, Prof. Erich Staudt of Duisburg University was the first to make the real plans public, when he advocated "mercy-killing for the steel industry" and pro-

voked a public outcry. Several weeks later, Dr. Meinhard Miegel, director of the IWG think tank in Bonn, said that "if industrial workers in the Ruhr want to find a job in the future, they will have to emigrate. There will be no jobs for them in the Ruhr." He said that the Ruhr will become "post-industrial—with sunrise industries," and that "about 3 million workers will have to emigrate with their families, if they want to make a living. . . . It is social-welfare standards which have made life too comfortable. It should not surprise anyone, therefore, that people stay here as long as it is comfortable."

The IWG, which was founded by a leading Christian Democrat, Kurt Biedenkopf, provides advice on "post-industrial" policy to the Christian Democratic Union (CDU), and since Chancellor Schmidt's SPD-led government in Bonn was replaced by Chancellor Kohl's CDU-led government in October 1982, the elimination of social-welfare standards has become official policy. This does not mean that if the SPD had remained in power, the situation would have been better for industrial workers in the Ruhr. As a matter of fact, the coalition of post-industrial interests cuts across party lines, and the SPD-run regional government of the Ruhr is taking advice from the same think tanks that advise the CDU-run

federal government. As a result, unemployment in the industrial production centers, in cities such as Duisburg, Dortmund, and Schalke, has hit the 16-17% level, and more and more industrial workers have left the Ruhr and tried to find a job elsewhere in Germany—in the non-industrial sector.

Where are the 'new jobs'?

Meanwhile the dismantling of steel and mining in the Ruhr is proceeding apace, and "technology parks" or "informatics pools," modeled on the Pittsburgh Renaissance Center, are being established in most Ruhr cities. Gov. Johannes Rau, the head of the Ruhr regional government, visited Pittsburgh at the beginning of 1984, and upon his recommendation a gambling center was set up recently in the steel city of Dortmund, which he said is to "create substitute jobs for the children of the steelworkers."

While Ruhr government officials publicly state that these "technology parks" will create new jobs in post-industrial sectors, they privately confide that "none of those who will lose their jobs in steel and mining will find a job in these new industries. The qualifications required are completely different, and it is better not to create false expectations."

A call for doubling Ruhr steel production

Despite the best efforts of the "post-industrial" think-tankers and the Social Democrats, not everyone in West Germany's Ruhr region has resigned himself to dismantling the steel production of the country's industrial heartland. The European Labor Party (EAP) held a conference and a demonstration in Duisburg on May 5 to rally the population of the region for "a fight against the assassins of the steel industry." The conference marked the opening of the EAP's campaign in the Ruhr region for the European Parliamentary elections, to be held in June.

Uwe Frieseke, the deputy chairman of the European Labor Party in the Federal Republic of Germany, emphasized that the only way out of the current steel crisis is to build a new world economic order that will industrialize the developing sector, generating millions of skilled jobs for European industry. Great projects already on the drawing boards, such as a second Panama Canal, the irrigation of the Sahara, and building a railroad across central Africa, will make it necessary to double the steel-making capacity of Europe, and of the Ruhr in particular, he said.

Delegations attended the conference from other European countries, and Jacques Cheminade, the general secretary of the European Labor Party (POE) in France,



Steel workers demonstrated in the Ruhr in 1980 against the shutdown of their industry. European Labor Party sign declares: "The World Needs Steel."

extended the support of the French steel workers and the 53 POE candidates for office from Thionville, located at the center of France's steel region of Lorraine.

Alongside the conference was a demonstration of over 100 steel workers, apprentices, housewives, engineers, and unemployed workers, with banners denouncing federal Economics Minister Otto von Lambsdorff and Johannes Rau, governor of the Ruhr, for allowing the deindustrialization of the region. "Jobs for Europe, Steel for the World," the marchers chanted.

New jobs have indeed been created—not for the workers, but for more eggheads in the think tanks: The aforementioned Prof. Erich Staudt, for example, is now the director of the Innovation Research Institute, set up with the support of the metal workers' union and the SPD-run city administration of Duisburg. His institute is now working on schemes for setting up "innovation centers." While thousands of steelworkers lose their jobs, hundreds of post-industrial "innovation experts" are employed at the universities in the region, to plan out the elimination of even more industrial jobs.

What is happening in the Ruhr is just what happened in Pittsburgh previously. Said one American analyst: "In Pittsburgh there is a decline of steel, a growth of the service sector, of corporate and administrative firms. The University of Pittsburgh has become the single largest employer." The person who gave this revealing description is Bernhard Holzner, the head of the University of Pittsburgh's Center for International Studies, which has advised European state and regional governments on how to "deal with their steel crisis imaginatively." As Holzner put it in a recent interview, what is required are "adaptive policies geared to the need to reduce employment in steel to a minor slice of the total economy. . . . We have a network of relations to institutions in Europe and are sponsoring a series of conferences. We bring our counterparts here to Pittsburgh to talk before the academic and business community."

'Crisis management'

One who was brought to Pittsburgh through this program was the former director of the Friedrich Ebert Foundation's branch in New York, Social Democratic parliamentarian Dietrich Stobbe—an admirer of Henry Kissinger, whom he met with on Feb. 8 in Washington, D.C., for a private discussion on the decoupling of Europe from the United States. Stobbe has helped to establish relations between Holzner's Institute and the headquarters of the Friedrich Ebert Foundation in Bonn, which will hold a conference on "Sectoral Crisis Management in Steel and Automobiles" on June 7-8 in Bonn. Professor Leonard Lynn of the Social Sciences Department of the Carnegie-Mellon Institute in Pittsburgh will be present at this conference, among other Americans.

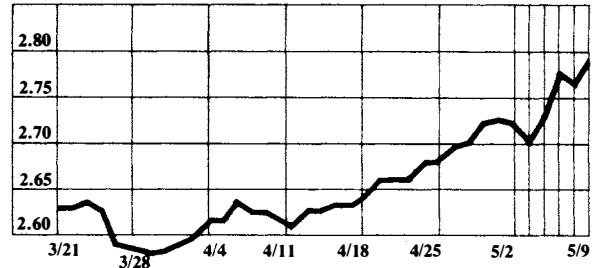
One conference participant, Tony Walters, a collaborator of Holzner's and Lynn's, described how this crisis management will work: "The question is not whether there will be problems, but only how they will be handled. I view steel as symptomatic of the industrial problems on the top of the agenda in the years to come. Steel is a model for the rest; it is the earliest to go through the wrenching process. Our job is to minimize the conflict. . . . Workers are angry, but they are divided on how to confront targeted institutions."

The current strike wave building in Germany, plus the organizing of the European Labor Party for "a fight against the assassins of the steel industry," indicate that the tranquilizers being handed out to steelworkers by the "post-industrializers" may not take effect for long.

Currency Rates

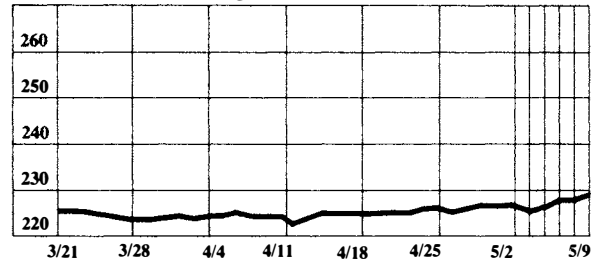
The dollar in deutschemarks

New York late afternoon fixing



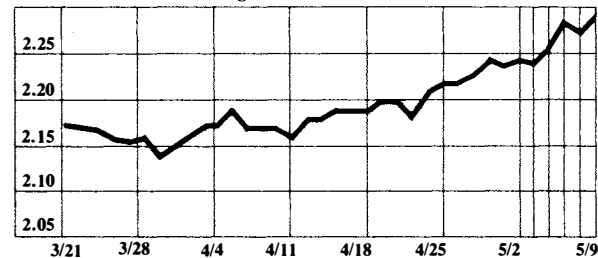
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

