

Corporatist policy revived for Western Europe's steel industry

by Our Special Correspondent

As the steel crisis in Germany's Ruhr region intensifies, the institutions responsible for mapping out steel policy for the European continent, are advocating corporatism as a means of dealing with the phase-out of production.

"Corporatism" was the system of managing the economy and enforcing austerity in 1920s-30s fascist Italy, and under the Dollfuss regime in mid-1930s Austria. It has been repopularized in the West, since the early 1970s, under the name, "fascism with a democratic face."

Among the supranational groups involved in such neo-fascist policy deliberations, are the International Labor Organization (ILO), the International Metalworkers Federation (IMFe), and the European Community bureaucracy associated with the "Davignon Plan," whose architect, Belgian Count Etienne Davignon, devised what was called the "rationalized triage" of steel in Europe in the 1980-85 period. The first two organizations are headquartered in Geneva, Switzerland, the last in Brussels, Belgium.

The concept "fascism with a democratic face," emerged in the mid-1970s, as the world economy entered a new phase of crisis in the wake of the 1973-74 oil crisis. It was advocated in 1975 by a group in the United States called the "Initiatives Committee for National Economic Planning" (ICNEP),

headed by Brown Brothers Harriman banker Robert Roosa, United Autoworkers President Leonard Woodcock, economist Wassily Leontief, and World Bank President Robert McNamara. It was also popularized in the same year by British sociology professors R.E. Rahl and J.T. Winkler, in an article, "The Coming Corporatism," which they dubbed, "fascism with a human face."

Now, it is being revived with a vengeance in Europe, as the steel industry prepares for 80,000 new layoffs over the next couple of years, with approximately 40,000 of these in Germany, and most of the rest in France. One IMFe official calls this the "revival of the Davignon Plan," or "a new phase of Davignon." Among the three organizations mentioned, there is no talk whatsoever of either utilizing existing capacity to the fullest, or expanding production. Quite the reverse. All the talk, expressed with almost liturgical reverence, is of "restructuring," "structural adjustment," and the like.

Groups that advocate expanded steel production, such as the Patriots for Germany party, founded by Helga Zepp-LaRouche, are assaulted by goons of the West German IG Metall trade union federation as "neo-fascists." IG Metall is the West German federation attached to the IMFe in Geneva. IMFe General-Secretary Herman Rebhan is active around the world against LaRouche associates, and has been favorably cited in the Soviet press, in articles attacking LaRouche.

Coordination of policy comes from the ILO's steel division. The ILO boasts that it is the "model international tripartite organization," which brings together labor, management, and government, to co-manage austerity. This "tripartite" arrangement is the core of "corporatism."

Said one ILO planner in a recent discussion: "What we are doing, is a renovated form of corporatism. It involves social partners getting together to try and find solutions. Basic economics defines the parameters of the discussions. There must be a structural adjustment, since, fundamentally, I do not see a real recovery for steel. All trends are downward. There is less demand for steel. Shipbuilding, which requires steel, is going down. There can't be expected a renewal of demand in auto. The demand for steel in the developing countries is being met by steel being increasingly produced in the developing countries. We must restructure, which will be difficult in the Ruhr, because it is a mono-culture.

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"In Europe," he went on, "we have more of a corporatist approach than in the U.S., where labor-management relations tend to be more adversarial. After the war, in Europe, corporatist relations were very much revived, and they linger on to the present day, since this was the way Europe was built up after the war: labor and industry together, the common responsibility of employer and employee, based on mutual respect."

He praised the approach of IG Metall in the Ruhr, as a basic model for how corporatist, or "concerted action" methods could work.

In December 1986, the ILO's steel committee met, to lay out policy guidelines for a "tripartite" approach to coping with the next phase of steel's collapse. The IMFe represented metals trade unions from around the world; the Cologne-based Association of West European Steel Employers represented industry; and economics or labor/social affairs ministries of various nations represented governments. In the Federal Republic's case, the jesuitical Labor and Social Affairs Minister, Norbert Blum, handled the dossier.

One informed IMFe source had this evaluation of how things have been proceeding: "It's getting worse and worse in Europe. We are heading toward big layoffs in Germany and France. . . . What we are trying to do, is to help in a concrete way, to reach a tripartite agreement for German steel, to make structural adjustments without dismissals. . . . The key idea is to get alternative employment, to bring into steel-producing regions other economic activity. . . . We are going through a certain phase of restructuring where capacity is being cut down. . . . Nobody challenges the view that there is now overcapacity for steel, it's simply a reality. . . . The unions have no choice, but to be involved in restructuring negotiations. . . . Restructuring is a reality. . . . With any plant closure, we try to avoid the worst."

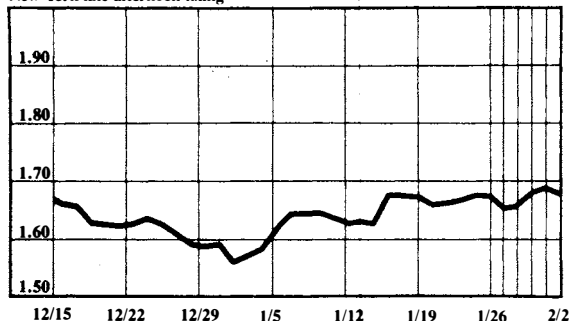
This last spokesmen, and others involved in the ILO corporatist process, are pointing to deindustrialized Great Britain as a model for the continent. They point to the way the British Iron and Steel Trades Confederation has dealt with plant closings over the past years. During mid-January, a British steel unionists' delegation came to the Federal Republic, to push the "model of Colby." Colby is formerly a steel-producing town, which, in the words of one British spokesman, has learned to make the transition from "steel production to service economy via social welfare."

Another lunatic proposal floating in the West Germany, is for Duisburg, the center of German steel-production with the largest industrial port in continental Europe, to be transformed into what the Social Democratic state government of North Rhine-Westphalia calls "food town." Under this scheme, Duisburg would become the center of low-quality food, such as ersatz sausage-based combinations and other substances more or less of the quality and taste of the hamburgers and hot dogs one eats in fast-food shops in the United States.

Currency Rates

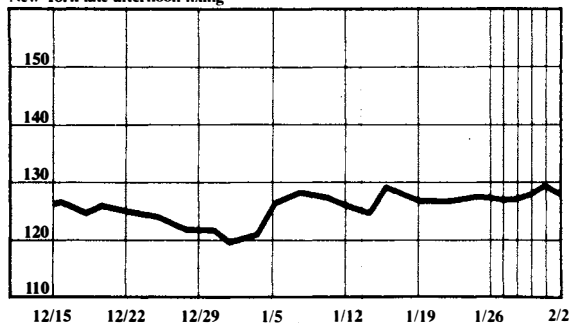
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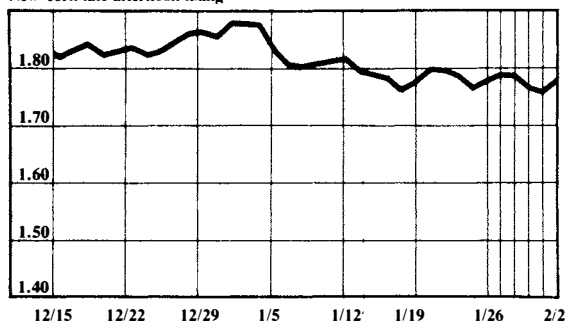
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