

Report from Bonn by Rainer Apel

No future for Germany's coal sector?

The "Europe 1992" deregulation plans are going to end German coal mining, once and for all.

In late July, a letter arrived at the offices of the European Commission in Brussels, Belgium, attacking the system of state subsidies to coal in Germany as "incompatible with the free market principles of the European Community."

The letter, sent by the French government, said in a threatening tone, "It is the French view that the Commission is obliged to impose the Community's laws upon Germany."

The European Commission acted promptly, notified the government in Bonn of the French protest, and urged the Germans to "remove obstacles to deregulation in time," in order to avoid "conflicts with the new rules which will be implemented in 1992."

Both documents, the French one and the one from Brussels, give an accurate foretaste of what is going to happen on a much broader scale after the constitution of the planned "single European market." If adopted, the "Europe 1992" system will overrule national sovereignty by decrees from Brussels. Imposing "Community laws upon Germany" on coal, would render the capital-intensive coal-mining sector here noncompetitive.

The decline of steel production, and the ecologist boycott of nuclear power and of carbo-chemical industries in Germany, have caused a sharp drop in coal production over the past 10-12 years. In anticipation of growing difficulties in obtaining permits in the future, coal mining in Germany has grown over-dependent on its exclusive contract with the public utilities. They take half of the coal at guaranteed subsidized prices.

The contract, which will expire in 1995, was subsidized by 5 billion

deutschemarks in 1987, through a special "coal penny" tax surcharge on electricity prices. Designed to bridge the gap between dumping-priced imported coal and German coal, the tax should have been raised long ago, but it wasn't. The government in Bonn thinks that "coal is out anyway."

Thirty-two coal mines are left in Germany, 23 of these operated by the state-owned Ruhr Coal Corporation, which employs 104,000 miners who are producing 74 million tons of coal annually. Two years ago, 132,000 miners worked at Ruhr Coal, and there are new plans to phase out another 24,000 until the end of 1993.

This process of drastic shrinkage has led to soaring jobless rates in all of the traditional mining centers of the Ruhr, far beyond the national average in the Federal Republic. The best-situated of these mining cities is Hagen, with a jobless rate of "only" 12.5% at the end of July. The other cities, Hamm (14.0%), Recklinghausen (14.5%), Oberhausen and Essen (16.2% each), Gelsenkirchen (16.5%), Bochum (17.0%), Dortmund, and Duisburg (17.4% each), are in the same situation as the declining coal-mining regions of Britain and the Lorraine in France. Industrial unemployment has "settled down" there, the experts say, and the phenomenon of workers who have been without a job for more than two years, has become very common now.

The problems are increased by the propaganda for "Europe 1992," which is designed as a Europe of "sunrise" industries, with the "sunset" sectors like steel, coal, construction, and shipbuilding slated for dismantling.

Within the framework set by the

European Commission's policy, there is no hope for steel or mining workers in the Ruhr to find a new job in their area of expertise.

A special propaganda campaign by the European Commission and related think tanks has penetrated the management layers of German industry, alleging that coal from national production could be more easily replaced by cheap coal imported from abroad, under the "1992" deregulation. Neighboring France also made a special offer to Germany, to supply electricity from French nuclear power stations in the 1990s. The supply, the French stated, would be at preferential prices, on the condition that the Germans drop plans for construction of new nuclear power plants. This vision has gained some popularity among industrialists who are fed up with the eternal ecology quarrels in German politics.

But apparently, the French are not content with the pace of the energy debate in Germany, hence the letter to the European Commission, requesting that "adjustment procedures in the energy sector" be accelerated.

The policy is also advocated by prominent figures in German politics, notably by the Christian Democratic prime minister of the state of Baden-Württemberg, Lothar Späth, who has stated his sympathy for the French offer. There is "no need for more nuclear power plants," says Späth, who has stated privately that there is "no need for coal, either."

A program is already being prepared in Brussels, to stop all construction of new nuclear power plants in Europe in the mid-1990s, and dismantle all plants still operating. This program won't stop at the gates of France's plants. French politicians had better recognize that in time: Their enemy is not German coal, it's the European Commission in Brussels.