the Communist party has taken a stand against the excessive power of public enterprises; to the foreign observer it may appear paradoxical: but in a situation such as exists in Italy at present, a party whose aim is to strengthen the authority of the state must seek to encourage this by bringing the state back to the arena of its fundamental duties, and limiting the field of those which are sources of contamination....

Extension of the banks' realm of influence, excessive power of the public enterprises, increasing exercise by the public authorities of their power of coercion in the financial sphere. On the one hand, we can also say: increasing subordination of the banks to the political authorities, of these to the large public enterprises, and of the latter to the banks. The main feature of this chain of dependence is that the sum of the losses of power is greater than that of the gains. It is the whole system that is progressively losing its capacity to control itself, to direct its own course of development and — ultimately — to govern its own future.

In most industrial countries there seems to be a consensus on the advantages of directing economic activity according to a basic plan. Even in the United States politicians from both parties in Congress have tabled a draft law to this effect. In Italy advocates of planning say that a selective credit policy is an essential prerequisite for putting it into effect; the banks in general are reproached for not having applied a selective credit policy; often the accusations come from those complaining that too much credit has been granted to the next man rather than to themselves. In this case the charges laid at the door of the banking system are basically due to the fact that it is required to do what is really the duty of others; it seems to me that the planning of economic activity, if it has to be, should be the responsibility of authorities who have to answer for their actions to democratically elected assemblies.

In international relations the banks of some countries are accused of promoting capital exports and those of others of doing the reverse. We are again faced with the consequences of the authorities' inability to pursue the desired goals of economic and monetary policy and an attempt to delegate the task to the banks. In periods of social and political unrest, if governments wish to continue giving priority to the objective of maintaining communication between their economies, they must accept that funds will move from countries considered to be less stable to those considered to be more stable. Compensatory intervention would certainly be possible, neutralizing the effects of inflows and outflows; guidelines to this effect have been issued within the European Economic Community. But the whole body of provisions aimed at curbing outflows and inflows of capital by means of restrictions — often tried, always without success — does not reflect the ideals on which the Community is based.

# Stripdown of European Industry Slated To Set Up Supranational Corporativist Integration

Leonard Woodcock, president of the United Automobile Workers of America and executive of the International Metal workers Federation, will fly to Turin, Italy later this month to discuss with Fiat chairman Gianni Agnelli the Federation's proposal for a "single European union for the auto industry." Agnelli, the leading pro-NATO Italian industrialist, fully supports the concept, according to a New York Times July 2 report, and further believes that "Ford, Chrysler, and General Motors...are the only ones who could set up such a union" since they are the only truly international companies on the continent.

The moves toward an all-Europe auto union are only the current phase of the Federation's plans to set up similar supranational unions for all major metals industries in Europe, Herman Rebhau, Secretary of the International Metalworkers Federation and a head of the UAW's International Affairs division, told a reporter July 2.

The union plans are one aspect of a broader reorganization of all European industry into a supranational structure fully **tripartite** in content. The contractors to this dictionary-definition Nazi corporativist alliance are: Management; the banks and their corporate debtors, which have drawn up plans to rationalize, shutdown, and layoff a quarter to a half of the continent's major industries and restructure the remainder into low-technology labor-intensive modes. A May report by Eurofinance, a joint consortium of Lehman Bros., Dresdner Bank, Sociète Genéral, and a dozen other Atlanticist institutions, calls for exactly this, including the shutdown of a purported 25 per cent "excess" capacity in the European auto industry. The report also contains an endorsement of previous international bankers' calls for closing half of Europe's shipbuilding and good chunk of its steel industry.

—Labor: the Europe-wide, industry-wide new unions' job, Rebhau noted, will be to handle the layoffs and drastic standard of living cuts which will result from rationalization via "Swedish" type programs for retraining, relocation, public works, and other social control programs of the type made notorious by the International Labour Organization.

— Government: The European Economic Commission (EEC) will run all programs on a supernational level, Rebhau said. This is exactly as called for by the December 1975 Tindemans proposal to that body, which advised the EEC to fully integrate itself along military lines as a formal subsector of NATO. NATO's economic arm, the Organization for Economic Cooperation and Development (OECD), acts as a forum for many industrial rationalization programs.

## Eurofascism

The International Metalworkers Federation actually has two proposals for new Eurounions, and will settle for whichever it can push past a hostile membership. The first proposal, Rebhau elaborated, is one European wide metalworkers union, including auto. The second is the "company union" concept made famous by Japan's totally management-controlled trade union system: each corporation such as GM or Ford would have a Europe-wide union of its own. Each of these unions would negotiate completely independently with its corporation, and, in the cases of vertically integrated companies this would mean breaking up existing industrial unions (steel, auto, rubber) altogether.

Both these plans were originated by the metalworkers in conjunction with a United Nations related body, the Group of Eminent Persons, some two years ago. The Group's membership, besides top international unionists, includes Agnelli, Sicco Mansholt, architect of the EEC's Common Agricultural Policy, Antonio Spinelli, the former EEC Commissioner who recently ran for office on the Italy Communist Party ticket, and Ralph Nader.

Besides tremendous union shop level resistance, Rebhan noted however, "Agnelli must still convince the other employers" of the scheme.

The kind of truncated European industry in which these Eurounions will work is described in detail in "The European Car Industry: The Problems of Structure and Overcapacity," issued in May, and presented at the May International Metalworkers Federation annual conference in Munich, by Eurofinance's Euroeconomics "research arm."

"Our considerations spring entirely from the weight of industrial logic and not from fascination with Tindemans-style visionary politics," the report protests unconvincingly. It argues that since the 1974 oil crisis, European governments have spent a "conservatively estimated $1.5 billion" in subsidies to "unviable and inefficient" auto companies. Instead of acting as a "brake to industrial restructuring," European "governments must exercise positively the power they have as major owners-controllers of their automobile industries" to force the "reduction of the European auto industry to **no more than three closely-integrated or merged groups.**"

Euroeconomics let out the actual process involved by making its model the March OECD ratification of a "gentleman's agreement" on reduction of shipbuilding capacity. The London Economist noted May 29 that existing OECD shipbuilding capacity is 50 per cent more than demand — and half of it should be shut, according to the OECD's banker advisors, althought the figure does not appear in the gentlemen's agreement. This would mean laying off half the workers in an industry which employs 400,000 directly and another 1 million indirectly (parts, supplies) in the EEC, and an additional 185,000 directly and another 400,000 indirectly in Japan. To date, some 50,000 shipbuiding layoffs have been announced this year in Japan, Sweden, and the BRD alone.

OECD members "may have to do the same for steel shortly," notes the Euroeconomics report.

Euroeconomics estimates that European auto demand will "remain below the 1973 peak level" until "at least the mid-1980s," including net exports from the EEC, which it says will be half their 1973 levels of this year and evaporate by the 1980s as current markets "build up their own production." The combined demand, estimated for 9.8 million units per annum this year, is compared to a 1973 peak production of 12 million u.p.a., and Euroeconomics estimates 15 per cent "overcapacity." Compared with their own estimate, however, of existing plant capacity at 13 million u.p.a., the "overcapacity" is closer to 25 per cent.

The "three large" supranational companies left would then implement "a radical solution: Europe must rediscover the Beetle principle and reapply it on treble the scale," announces the study. The old people's Car of Adolph Hitler is to be reinstituted in all its labor-intensive horror. Eurofinance explicitly calls for more "low technology" production methods, claiming that European auto parts are "over-engineered," that is, "component specifications are too high relative to actual operating requirements." Mass model, cheap death traps are to be produced at pre-war production technologies.

**Euroslaves**

Commenting on the Lehman Bros. program, Herman Rebhan predicted exactly this kind of fate for the automobile industry. Asked what would become of the laid off workers from auto, shipbuilding, steel, and other metals industries, he directly referenced the International Labour Organization's programs: "Sweden is the model," he said, "as the ILO mentions, they are solving such problems through retraining of workers and deployment to other industries."

These programs are already fully "in place" in many European countries, and labor specialists such as the director of the Berlin Office of the Aspen Institute are already speculating how to cut off unemployment compensation to force workers into them at even lower remuneration. "The 1969 Labor Promotion Act is fully comprehesive to deal with large numbers" of workers he told a reporter this week.

Provisions of the Act include a 2.3 million man per year retraining and relocation program, a new DM 900 million per year youth training program, and a $2.3 billion per year public works program disguised as "subsidy to the construction industry." On July 2, the new West German Mitbestimmung Law went into effect in the BRD, under which all corporations with over 2,000 employees must now have half the members of their board chosen by trade unions; Mitbestimmung — co-determination — was pioneered by the Nazis to make workers police themselves.

Already, Britain sent the Bullock Commission to Bonn this week to look into implementation of such a program for the U.K.

Other ILO policies are in full swing. Gosamtmetall, the West German metal industry's employers federation, announced this week that it will expand its issue of capital shares, another Hitler trick, as a favor to its workers in exchange for cutbacks in overtime. Thyssen steel announced simultaneously the issuance of 5-year, **unconvertible** DM 50 bonds to 150,000 of its workers in lieu of a payhike. From 50 to 90 per cent of workers in Germany's top ten corporations own shares in their companies.