

West Germany's crucial steel industry faces 'euthanasia program'

by Birgit Vitt

In the last few months, new horror stories have come out every day, giving the lie to all the chatter in Bonn about the good economic situation in West Germany. The steel industry, mining, machine-tool manufacturing, the construction industry, and the energy sector are all talking about choking off capacity, reducing orders, mass layoffs. As for nuclear energy, the word is that the most modern lines of development, such as the fast breeder or high-temperature reactors, will probably never go on line.

European Community decisions

On July 21, the European Community Commission put forward a new three-year program for "restructuring the steel industry." The main mover behind this "euthanasia program for steel" is EC vice-president Karl-Heinz Narjes. By 1990, steel production will be decreased by a further 30 million tons, through cutting of capacity; this will wipe out approximately 80,000 jobs in Europe.

After approval by the EC Council of the Economic and Industrial Ministry, this plan will go into effect on Jan. 1, 1988. In order to create an incentive to steel firms, premiums for shutting down capacity will be financed out of a compensation fund which is to be set up, analogous to unemployment insurance for the laid-off workers. The money for the fund comes from the firms themselves. Whoever produces over 70% of allotted amount will pay 20 EC units (approximately \$20) for every ton of steel produced.

The Maxhütte blast furnace plant example

On the same day, July 22, there were new protest actions to defend the 4,000 jobs at the Maxhütte Plant in the city of Sulzbach-Rosenberg. In one leaflet, the IG-Metall union called for a "march to the labor bureau," West Germany's equivalent of the unemployment office, where some days before, the bankruptcy trustee had proposed laying off all 4,305 plant and office workers. Virtually the entire city responded to the call.

The scenes now occurring in Sulzbach-Rosenberg take us back to 1980, when the entire city of Dortmund took to the streets to demand the construction of an oxygen-steel

plant, in order to prevent the elimination of approximately 5,000 jobs. The Dortmund model has been used again and again in the following years. Fathers, together with their wives and children, go out to fight for their jobs, supported in solidarity by the corner shopkeeper, the hairdresser, municipal employees, mayors, representatives of all parties and both churches, Catholic and Protestant, and, naturally, the unions. Actions ranging from large-scale demonstrations to women's actions and hunger strikes—not to omit the innumerable discussions with the "political officials"—belong to the standard repertory of such institutions.

So far, not one of these large-scale mobilizations has succeeded—that is, preserved the threatened jobs. What has occurred is, across-the-board capitulation to the "post-industrial society."

After the capitulation in Dortmund to the EC quota policy, and after the state of North Rhine-Westphalia built a gambling casino on Hohensyburg Mountain, rather than a steel mill, the further ruin of German industry was sealed. We have seen this spectacle repeated in 1987, first in Hattingen, then in Oberhausen and Duisburg-Reinhausen, and now in Sulzbach-Rosenberg.

In the Maxhütte Plant case, there was a nationwide solidarity action in the form of one- to two-hour warning strikes, even in Dusseldorf, at the Mannesmann Pipe Works, where 3,500-4,000 jobs are at stake.

In this climate of rage, despair, and lack of perspective, it is not surprising that German Communist Party recruiting groups are enjoying a certain popularity.

Mining

While the crisis in the steel industry continues to boil, the mining industry comes naturally next in line.

The head of the Ruhl coal union, Dr. Heinz Horn, painted a dismal picture for the future of mining in his annual report. The federal economics ministry has discussed a scenario for after the 100-year contract with the electrical industry runs out in 1995, in which hard-coal production is to be reduced by one-third, i.e., by 30 million tons, and subsidies for the export to other EC countries are to be totally eliminated. The

market for Ruhr coal, which has dropped by 6 million tons since the beginning of 1986, because of decreased orders from the steel industry, will fall by the end of 1987 to 51 million tons. That means that 9 million tons will be produced as surplus, at a cost to the companies of some \$200 million.

Much greater losses arise, however, from the low world market price of coal, \$75 per ton under the cost of Ruhr coal. Since the steel makers only pay the world price, each ton of coal will be subsidized at the rate of \$50. Even with this subsidy, the sale of 20 million tons of hard coal will lead to a loss of approximately \$500 million. The consequences for the workers are obvious. From the end of 1988 to 1995, about 25,000 jobs will be lost. These dismal prospects prompted the Miners Union to announce a "March on Bonn."

North Rhine-Westphalia faces financial ruin

Finance Minister Posser prefaced his announcement of the 1988 budget in July, with the statement that North Rhine-Westphalia, the most densely populated German state, is threatened with financial ruin, unless Bonn begins to help support the costs of coal and steel. The budget, which amounts to \$30 billion, will require new debts of \$2.8 billion, and thus the mountain of debt climbs to \$50 billion.

The cutbacks that Posser foresaw occurred in the elimination of 18,200 public sector jobs, especially in the schools. Hermann Heinemann's Ministry of Labor, Health, and Social Services, and the Ministry of Construction took the brunt of the cuts, at \$650 million.

This budget documents one thing emphatically: Although the Ruhr region is still the greatest industrial region of Europe, there is not enough real economic wealth produced to finance the state budget. It is revealing that it was precisely the Ministry of Labor, which is not only responsible for labor policy but also, with the Health Ministry, for dealing with problems such as AIDS and the war on drugs, that lost the funds.

Even the revenues from many gambling casinos in North Rhine-Westphalia could not fill the hole produced by the reduced taxes from productive activity.

The economics minister fired five years ago, Bäumer, has been driven by this emergency, as he terms it, to propose that all parties in the state legislature be incorporated into the state government, creating an all-party government for better crisis management.

'Environmental technology'

The lie of overproduction, be it in steel, coal, electricity, or even in agriculture, accepted by all existing political institutions, is what allows the EC to push through their quota dictates with relative ease.

The union, along with the Social Democracy and the Greens, has campaigned for restructuring the productive sector for production of so-called environmental technologies.

Take again the example of Maxhütte. Under contract from the Hans-Böckler Institute, the Munich Institute for

Media Research and Urbanistics (IMU) produced a recommendation for keeping the jobs at the plant. The centerpiece of the report was the creation of "future-oriented activity." What does this mean?

The production of environmental technologies counts as "future-oriented," as does the area of modern communications technologies. Thus, Maxhütte is not to produce steel in the future, but some sort of environmental products, as Hoesch had done with the dressing up of concrete protective sound barriers, that ruin the landscape. That this is hardly designed to produce tangible economic wealth is obvious.

Also, in the Ruhr, where the restructuring is already partially complete, the service sector has expanded so much that Dortmund today is the greatest insurance center of the Federal Republic, and there is also talk, in connection with the creation of substitute jobs, of the "environmental technology" and "communications" sectors. That is what the Social Democracy means by technological progress, when they speak of that at all.

Social Democratic Party leader Johannes Rau's latest project for the salvation of the steel region is called the Future Initiative: Mountain Region, or ZIM. In the framework of ZIM, \$100 million will be invested in 1988 to create new jobs that will all lie in the areas of improvement of the environmental situation, infrastructure, innovation, and technical progress.

These initiatives are accompanied by the political theatrics of the former Social Democratic chancellor candidate, Hans Jochen Vogel, who has called on the workers in the Ruhr to demonstrate more loudly, in order to put Bonn under more pressure since, if it could fork over money to the farmers, his argument runs, then the same could be possible for the steel industry.

The real solution

What is striking about the whole discussion, is that no one talks about how the export of high-quality industrial products can be started up again.

One in four jobs in the Federal Republic depends on exports. So what could be more obvious, with the worldwide underdevelopment and the international debt crisis, than to consider how the purchasing power of the Third World can be reestablished, The Third World that wants nothing more than to acquire the technological products in the industrial nations that those underdeveloped nations need so urgently for their own progress.

Instead of this, the lies of surplus are believed. Gigantic amounts of money are thrown down the drain by the EG and governments in order to destroy productive capacities, to support expensive social plans and an army of unemployed, rather than investing the money productively.

The slogan, German Technology for the World, is today more valid than ever. If the Federal Republic does not intend to accommodate itself to its demise as a progressive industrial nation, action must be taken immediately.