

# 'Roundtable' slashes West European jobs

by William Engdahl

One of the oldest and largest European industrial companies, Philips Gloeilampenfabrieken NV of Holland, announced Feb. 26 that it plans to cut an unprecedented 200,000 jobs in its more than 170 European manufacturing facilities and close 70 of the plants. The company chairman, Cor van der Klugt, announced the draconian measures at the annual meeting of shareholders, saying that future policy will transfer more of the production activities to what he called low-cost dollar-based countries such as Mexico. The moves are the most dramatic in the history of the company which, for years, has exercised its political clout among European governments policy by threatening to cut jobs if it didn't get its way, according to one informed insider.

The move was announced in the context of a corporate earnings drop of 19% in 1987 and an alarming 51% drop in worldwide sales from October-December in the wake of the stock market crash.

Within days, the world's largest heavy electrical engineering and power plant group, the newly merged Asea-Brown Boveri, announced its pre-merger results for 1987. Brown Boveri chairman Fritz Leutwiler, former head of the Bank for International Settlements, the elite private "central bankers' central bank," announced that group profits in 1987 were up 94%—which he called "unacceptably low"! Asea-Brown Boveri is taking steps to improve its profits. On March 1, it announced it will slash 2,500 jobs from its Swiss payroll, and cut an additional 4,000 jobs from its Mannheim facilities in West Germany in the coming months. Similar cuts are planned for the group's plants in Italy and Finland.

Siemens, the German electronics giant, has just announced plans to dump at least 3,000 employees. Bosch, a significant electronics and industrial robotics producer, is getting rid of 600 workers. The French-German aerospace group Thomson-Brandt is axing 1,000 jobs in Germany alone.

## The knights of the roundtable

These enormous cuts in the industrial workforce of Europe are being justified by reference to the Oct. 19 stock market crash and the propaganda buzzword, "competitiveness," for the emerging unified "Single Europe" planned for the European Community (EC) by 1992. Under the Single

Europe Act, the 323 million residents of the 12-nation EC are supposed to dissolve all major tariff, border, and capital restraints to form a market which some imagine will be like the United States.

The 1992 Act is moving ahead under the heavy lobbying of an elite and well-financed private industry lobby with the presumptuous title, European Industrialists Roundtable. The head of the Roundtable is Wisse Dekker, director of Philips of Holland. Other members of the Roundtable include Asea chairman Curt Nicolin of the Swedish Wallenberg group; Bosch's Hans Merkle, Siemens' Karlheinz Kaske, Olivetti's Carlo De Benedetti, Fiat's Agnelli, and Volvo's Pehr Gyllenhammer. All in all, they are heads of 29 European companies.

"The Roundtable is very vocal and very visible. The European Commission listens to those who cry the loudest," one well-informed British insider stated. "The Roundtable is an industry pressure group and Brussels [EC headquarters] is a paradise for such organized pressure groups. Even though they don't reflect the majority by far, they are the most visible and well-financed."

"The Sunday speeches of politicians are irrelevant in the movement toward European unity. . . . What matters in Europe are the very impressive people with a global approach to banking and financial problems, people like Sweden's Gyllenhammer, Italy's Agnelli, and Holland's van der Klugt," a senior consultant to the Committee for a European Currency Union of former West German Chancellor Helmut Schmidt and former French President Giscard d'Estaing asserted in recent private discussions. The "impressive people" praised by the Schmidt-Giscard circle, in their own public drive for creation of a single European Central Bank modeled on the U.S. Federal Reserve, are the same European Roundtable elite.

What will be the future of Europe in the relentless drive for this "spirit of '92"? Clearly, as the early actions of the Roundtable suggest, a prime focus will be a deregulation of protective labor laws and other safeguards built carefully over decades through the social disruptions of war and depression. Under the banner of "competitiveness," a tiny but powerful elite of European companies has fired the first shots in what will be a bloody restructuring of Western Europe. "European industry sees that it has overcapacity of production in too many small units. The Roundtable companies see 1992 as the possibility to introduce a sea-change in the possibilities of what business is allowed to do," stressed a London insider who has been privy to many of the discussions shaping 1992.

Significantly, most of these same Roundtable companies are at the front of the reception lines in Moscow looking for "joint venture" deals with the Russians. Philips just signed such a venture for a microchip plant in the U.S.S.R. Their restructured Europe is projected to be one large supply-line for the Russians.