

WHAT BRITAIN

Steel strike has political support

By Chris Jones

A MOOD OF QUIET FOREBODING hangs over the first national strike in the British steel industry for more than half a century. Workers at the nationalized British Steel Corporation, which produces 75 percent of Britain's steel, came out on January 2 after receiving an insulting pay offer of only two percent—at a time when inflation is running at around 18 percent.

The strike was inevitable, but it looked suspiciously as though the confrontation had been deliberately provoked by BSC management and the conservative government.

BSC management had two things to gain from a strike: the forced closing of plants during the strike could speed up its long-term strategy of plant closures and workforce reductions, and the publicity generated by the strike could provide a smokescreen for the inept management that has brought BSC to its present state.

The conservative government's public attitude has been to keep aloof from the conflict. Prime Minister Margaret Thatcher and her Industry Minister, Sir Keith Joseph, claim that industrial matters are better decided by the employers, the workers, and the divine forces of the free market economy.

But this argument is manifestly phony. The government, as BSC's chief creditor, is up to its neck in BSC, whether it likes it or not. And the mask was torn off the Thatcher policy of non-intervention on January 16, when the government announced massive increases in gas prices.

The price hikes were a deliberate government move to encourage conservation and further exploration in the North Sea. Yet within 48 hours Sir Keith Joseph was again stating in parliament that government intervention in the steel strike, a matter of equal national importance, was out of the question. But he did, for the first time, reveal that he and Thatcher were prepared to talk to the strike leaders—just talk, not negotiate.

The dominant union leader involved, Bill Sirs of the Iron and Steel Trades Federation, is, on the face of it, a most improbable challenger of Thatcher and Joseph. Firmly on the right of the Labour Party, Sirs leads one of the most conservative unions in the country, with a long record of appeasing rather than challenging management.

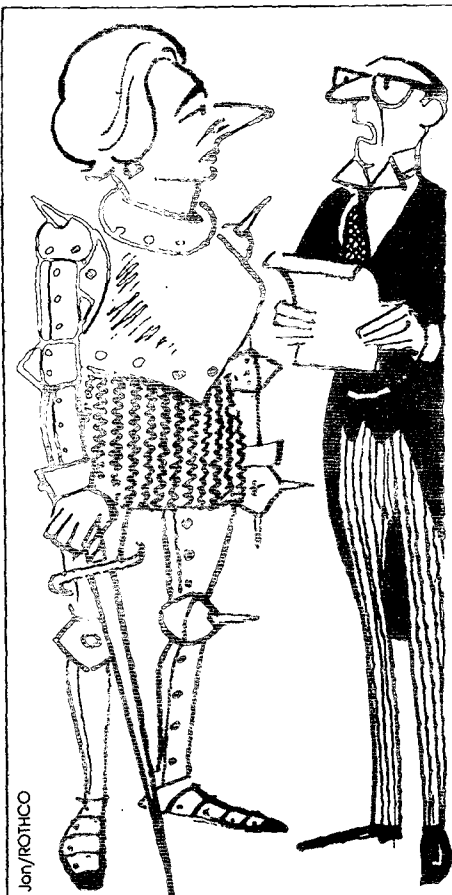
Under his direction, British steel workers suffered a loss of real earnings of some 23 percent during the '70s. ISTC has accepted 26,000 job cuts in the last two years, and now faces BSC proposals for 53,000 more.

BSC management attributes its difficulties to two factors: over-capacity and low productivity. But the truth is that BSC operates at a higher level of plant utilisation than any other of the world's dozen major steel producing nations. As for productivity, it is almost certainly higher—once you fight your way through the tangle of international statistics—than it is in the United States or France, and not too far behind West Germany. Labor costs are, of course, very low—which is what the strike is all about.

The unions charge managerial ineptitude. A secret BSC strategy document, dated December 1979, includes a truly amazing table of 'abortive expenditure'—money that BSC had wasted in recent years. The total comes to 353 million pounds. Among the statistics is the Hunterston direct reduction plant in Scotland, costing 54 million pounds, which was put into mothballs the day it was completed. Such miscalculations—usually, thankfully, on a smaller scale—are commonplace in BSC.

It is not surprising that the striking unions are demanding a public enquiry into the management of BSC. This issue, even more than the two percent pay offer, has turned Bill Sirs from a moderate into a militant. There has been a complete collapse of faith not only in BSC's ability to manage, but, further, in the government's commitment to preserve the British steel industry, which is linked to the future of numerous other industries.

On the primary side lies the coal industry. BSC is now importing foreign coking coal, which is cheaper largely due to the sorts of subsidies by foreign governments that the Thatcher government refuses to countenance at home. Downstream lies the manufacturing sector, where declining production means declining demand for steel. Most critical of all for steel is the decline of the automobile industry: over half the cars sold in Britain are imported—mostly from other Common Market countries, rather than from Japan—and the future of Britain's one



Bill Sirs, of the Iron and Steel Trades Confederation, asks why you, the Iron Lady, aren't on strike?

automotive giant, British Leyland, is by no means secure.

The British steel strike, then, is overtly political. From an isolated wage protest it

has grown in dimension in a way that most in the British labour movement had not believed possible.

From a strike against BSC, it has rapidly expanded into a strike against the private steel companies as well, with the knowledge that only in this way can the government be made to realize that its policies must be changed.

This is not to say that the steel strike will end in resounding victory for the labor movement. Most strikes end in compromise, anti-climax, disappointment. This was the fate of last summer's partial strike in the British engineering industry, which was the first major industrial dispute under the Thatcher government.

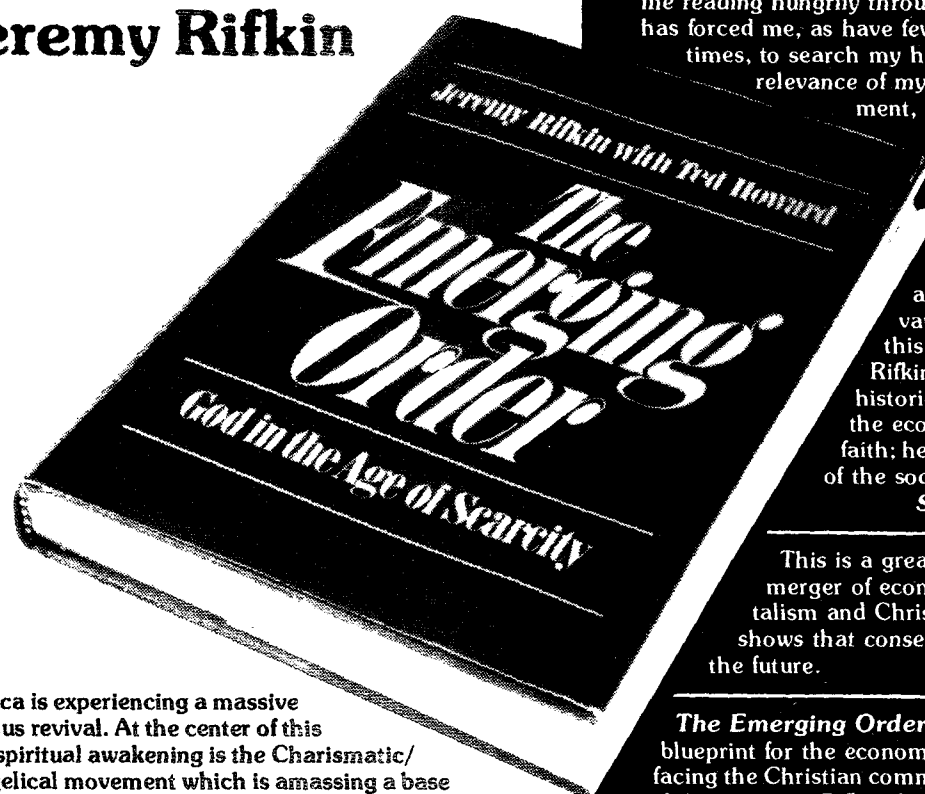
But the feelings and actions aroused by the steel strike are a clear sign that Margaret Thatcher's attempts to reverse the tide of social democracy in Britain is in for a very rough ride. And this opposition is not without its international repercussions.

Herman Rebhan, the American general secretary of the International Metalworkers' Federation visited London during the early days of the strike, and had this to say:

"From the outside Britain looks like a test tube in which an experiment to try out the very worst excesses of monetarist policies is being carried out. The handling of the steelworkers' claim is a symptom of these extremist government policies.

"I think that is one reason why there is so much international concern and solidarity for the British steel unions."

a new book by Jeremy Rifkin



America is experiencing a massive religious revival. At the center of this great spiritual awakening is the Charismatic/Evangelical movement which is amassing a base of potential power that dwarfs every other competing interest in American society.

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The Evangelical revival could end up laying the groundwork for a second Christian reformation and a radically new theological vision for the coming age. It is also possible that the current religious fervor could be exploited by right wing and corporate business interests and be made a recruiting ground for a fascist movement in the 1980's.

In advance reviews activists, theologians, public officials and academics have heralded *The Emerging Order* as a watershed document of profound significance to the future of American society.

Review Comments . . .

Jeremy Rifkin's book, *The Emerging Order*, kept me reading hungrily throughout an entire night. It has forced me, as have few other treatises of recent times, to search my heart and mind as to the relevance of my views regarding government, religion, economics and society.

I have no hesitation in urging all who seek to understand the limits and the possibilities of both traditional liberalism and traditional conservatism to read and ponder this exciting book. Jeremy Rifkin not only traces the historical relationship between the economic order and spiritual faith; he also gives us the outline of the social order now emerging.

Senator George McGovern

This is a great book! With a striking merger of economic history, environmentalism and Christian Theology, this book shows that conservation is the religion of the future.

Tom Hayden

The Emerging Order by Jeremy Rifkin provides a blueprint for the economic and spiritual challenges facing the Christian community in the remainder of this century. Rifkin dramatically illuminates the wayward self destructive course of modern society's values and points to the potential saving role that can be played by people of faith.

This is an exciting, fascinating book; it knocked me over.

Senator Mark Hatfield

More than anything else I have read, this book describes the philosophical, political, spiritual, and economic vacuum that has been created as a result of the decline of the liberal ethos and the growing awareness of the planet's finite limits to growth. *The Emerging Order* could become—and I hope will be—a watershed book for the evangelical community.

Wes Michaelson, Editor, *Sojourners*

I read the book wanting to say "no" to statement after statement, yet knowing in my guts that too much of it is true. I recommend the book especially to ecumenical types like myself. Eugene L. Stockwell Associate General Secretary for Overseas Ministries National Council of Churches

Copernicus played a decisive role in moving Christians from believing that the earth is the center of the universe to believing that it is only a planet circling the sun. Jeremy Rifkin will play a decisive role in moving Christians from believing that a growth economy is possible to believing that a steady state economy is necessary. One is left with a feeling of having read history before it happened. And the potential role of American evangelicals in this process is mindboggling. I have never read a more helpful book on the meaning of our times.

John K. Stoner, The Mennonite Central Committee

HOW TO ORDER

The Emerging Order: God In The Age Of Scarcity. By Jeremy Rifkin with Ted Howard, published by G.P. Putnam's Sons. Cloth \$10.00.

If *The Emerging Order* is not in your local bookstore, ask them to order it for you. Or, to order it directly, send a check or money order for \$10.00 plus \$1.50 for postage and handling to: Order Department P.A.C., G.P. Putnam's Sons, 200 Madison Avenue, New York, NY 10016.

By David Mandel

TEL AVIV

A CAUTIOUSLY WORDED announcement by the State Department in Washington on January 2 that the U.S. "might consider" future use of Israeli—and Egyptian—military facilities became front page news here. It soon became clear that, for now, only Egypt will have the privilege of hosting U.S. soldiers at its bases. But there has been an outpouring of speculation ever since about how Israel could best serve strategic American interests and what local policies would make this possible.

While Israeli governments have consistently hinted that they would like a formalized military alignment of some sort, Washington has consistently shied away, fearing that too close an alliance would alienate Jerusalem's Arab rivals. As the region's sole American friend Israel would be of little value, economically or militarily, to U.S. strategic planners.

Now that peace with Egypt has been signed and relations between the two countries are being normalized on schedule, many Israelis hope that the idea of a tripartite alliance might be less distasteful in Washington. Recent events in Iran and elsewhere are held up here as examples of how unreliable other American allies can turn out to be.

Realizing that American policy makers are interested in building alliances with more countries than Israel and Egypt, Defense Minister Ezer Weizman, visiting the U.S. during the last week in December, offered military facilities to the U.S., and proposed a long range alliance of Israel, Egypt and other pro-American conservative Arab states that have opposed the Israeli-Egyptian separate peace.

Only the small left groups have actively opposed military alliance with the U.S. and called for neutrality. But there was some criticism from the political center of Weizman's offering bases to Washington.

"Surely," remarked the liberal *Jerusalem Post*, "it is possible to conceive of American uses of such bases with which Israel would not necessarily concur."

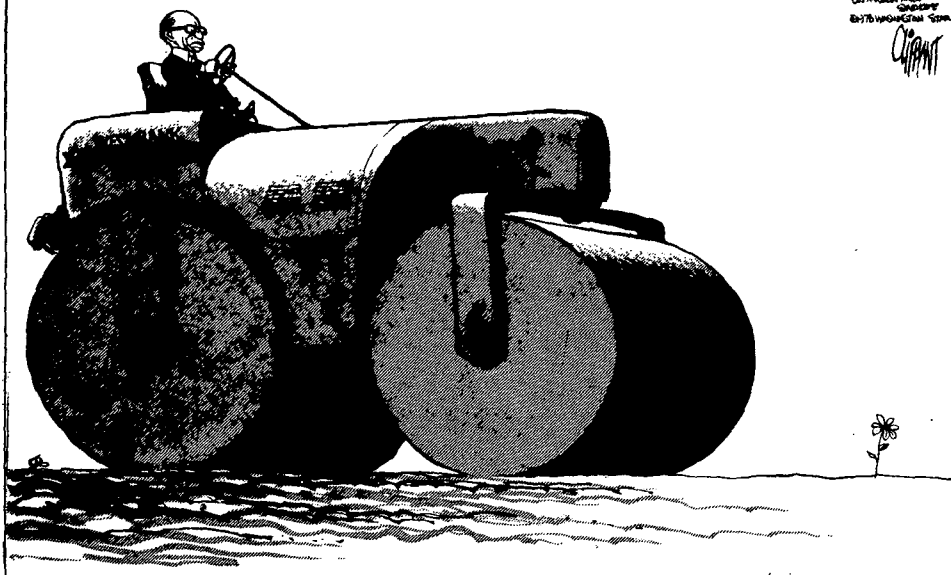
Weizman may have intended his offer as a reminder to his fellow cabinet members that neither the U.S. or Egypt share Israeli leaders' enthusiasm for bilateral progress while the Palestinian question remains stalemated.

In case this message was not read, it was spotlighted by events that began even before Egyptian President Anwar Sadat gave Israeli Premier Menahem Begin a farewell embrace at their Aswan summit in mid-January.

While the heads of government toured

MIDDLE EAST

Israel hopes to strengthen U.S. military ties



ancient Upper Egypt and spent a few scattered hours sharing concern about Afghanistan and Iran, Egypt's acting foreign minister Butros Ghali explained patiently to the assembled Israeli journalists that agreement on the Palestinians' future was a prerequisite to totally open, neighborly relations.

Some Israeli commentators talked about a breach between Sadat and Ghali but their speculations were quickly shattered when a sudden "crisis" was declared in the talks for Palestinian autonomy. At Egypt's prodding, both sides submitted their blueprints for self-rule in the West Bank and Gaza Strip. Cairo's clearly called for an interim step toward independence; Jerusalem's, a declared means of preventing creation of a Palestinian state, which Begin now fondly calls "a second Afghanistan on our border." The plans were firmly rejected, respectively, by the two negotiating teams, as "contrary to the Camp David agreement."

Meanwhile, external pressure on Egypt builds. More sanctions are expected from other Arab states following the exchange of ambassadors between Cairo and Tel Aviv. Inside Egypt, the left and Moslem extremists have distributed literature and demonstrated against the separate peace.

On the other hand, Egypt's importance to the Arab world combined with jitters about renewed superpower confrontation may lead other conservatives in the region to seek accommodation. Jordan's King Hussein ostentatiously invited American autonomy negotiator Sol Linowitz to London last week—a step that might encourage Hussein's West Bank friends also to see Linowitz. Linowitz has also announced plans to visit the kingdoms of Saudi Arabia and Morocco.

For most Israelis, talk of participation in a pro-American alliance on a grand scale does not stem from ideological commitment to American foreign policy goals (though they are generally sympathetic), but from a desire for a formal American commitment to Israel's security. Most of the establishment doves share such a view; ironically, the extreme hawkish right, fearing pressure to withdraw from "greater Israel," is the most disdainful of the value of American guarantees. It points to what it calls "betrayals" in Vietnam and Iran and the "loss" of countries like Ethiopia, Angola or Afghanistan.

Doves, on the other hand, warn that it is precisely Israel's short-sighted greed for territory that damages relations with Washington. Especially now, with the U.S. perhaps more "appreciative" of Israel's loyalty, the liberal doves have

been more loudly critical of government steps seemingly designed to reveal expansionist designs on the West Bank:

•Despite drastic budget cuts in all areas, the government recently declared its intention to build 6,000 West Bank housing units for Jewish settlers this year, double what already exists.

•Early in January, building was begun on private land outside of Hebron for a new neighborhood of the Jewish suburb of Kiryat Arba, which has habitually been unable to fill its existing capacity.

•On December 31, the government declared its intention of taking over the East Jerusalem Electric Company, which supplies power to the region. The move united all West Bankers in protest.

•Palestinians in Beit Hanina, north of Jerusalem, received expropriation notices, apparently for a major new road connecting Jewish settlements.

•Palestinians report a hardened, get-tough policy against demonstrations since the end of the Bassam Shak'a attempted expulsion affair. On one occasion, soldiers invaded the campus of Birzeit University near Ramallah, causing damage and arresting a number of students. And West Bank mayors have been prevented from travelling to each other's towns for meetings.

American criticism of these and other moves has been practically non-existent. But Washington told Israel that progress in the autonomy talks would be the best way for Jerusalem to support U.S. interests in the region.

While watchful for an increase in U.S. pressure, Israeli leaders are fairly confident that they have little to worry about in 1980. U.S. presidential candidates' competition to appear the most pro-Israel, they point out, generally gives this country a political respite once every four years. Begin and his colleagues, therefore, can be expected to continue mouthing offers to defend American interests, while remaining quietly happy that American interests are being challenged some distance to the east.

The Israeli people.

As for the Israeli people, a public opinion pollster's roundup for 1979 published with the new year listed several issues on which at least two-thirds of the country agreed during the preceding 12 months. One was the desire for a formal military alliance with the U.S. (amorphously defined), the other was grave concern about the strength of Washington's commitment to Israeli security.

Schizophrenically, Israel is entering a new, uncertain decade. Compounding the familiar local uncertainties of peace and war, bombs and inflation, are the regional ones of alliance, for the first time, with a Middle Eastern neighbor, and the sudden renewal of a cold war that Israelis can't quite decide whether to fear or to welcome.

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Budget

Continued from page 3.

be under pressure to propose a tax cut.

In figuring the 3.3 and 5.4 percent real increases in the defense budget, the Carter administration assumed only an 8.8 percent inflation rate. If the rate is more than that, the administration has pledged to increase spending in order to maintain the initial increases. It has already had to propose a \$4 billion supplemental request to the FY1980 defense budget to meet energy costs. Similar requests can be expected for the FY1981 budget.

On the other hand, Carter plans to reduce expenditures and increase revenues by having Congress pass the once-failed Hospital Cost Containment Bill and some ill-fated minor tax proposals. The *Wall Street Journal* estimates that over \$7 billion in revenues listed in the budget will not be forthcoming.

Overall, it is likely that the FY1981 budget deficit will be over \$30 billion. This will make the budget an inviting target for Republicans and conservatives, just as the spending cuts will make it a target for liberals and labor Democrats. Once the smoke clears from Iran and Afghanistan, Carter will be lucky to avoid the fate of Eisenhower's protege,

Richard Nixon, who was defeated for the presidency in 1960, and of Gerald Ford, who Carter himself defeated in 1976.

Other aspects of the Carter budget will spark controversy, sometimes along regional rather than political lines:

•The defense budget increases will inordinately benefit the Sunbelt. Budget analyst Thomas Cochran estimates that the 47 percent of the population living in the Northeast and Midwest will receive only 35 percent of federal procurement money and only 20 percent of military construction funds.

•The energy budget increases solar funding by 15 percent, according to the Solar Lobby's Herb Epstein. But increases in nuclear funding are hidden in subsidies to utilities, uranium enrichment programs, and nuclear reactor funds, which are not listed under the Department of Energy's nuclear funding.

•There are some increases in mass transit—much less than expected because they were supposed to come out of the \$15 billion allotted by the windfall profits tax, which the Senate reduced to \$1 billion. And railroads continue to be neglected. Funding for the Northeast Corridor's railroads is down 10.6 percent.

•Spending for health research increases a nominal six percent, which amounts to a three-to-six percent real reduction, while spending for defense research increases 21 percent.