

Right meets left in support of postindustrial urban policy

by Lonnie Wolfe

Peter Hall, former chairman of the socialist British Fabian Society, has announced that he supports the proposals of the President's Commission on a National Agenda for the 80s, a set of proposals geared to establish a "post-industrial" concept for federal urban assistance and economic policy in general.

The commission, set up in 1979 under the direction of Council on Foreign Relations member Hedley Donovan, contains prominent representation from the social-democratic leadership of the U.S. labor movement, including AFL-CIO President Lane Kirkland.

The commission plans to formally release its proposal at a Washington, D.C. press conference later this week. Sources on the commission report that the urban policy recommendations will be "substantially the same" as those in the "leaked" draft report.

The commission's proposal received an unqualified endorsement from the London *Economist*, which praised the commission for having the courage to state that industrial-based urban society in America is finished. George Sternlieb, one of the leading urbanologists in the United States, also endorsed the commission's proposals, calling for "the decamping of urban populations in the Northeast and Midwest."

Sternlieb is working on a parallel track with the Washington-based Heritage Foundation, a think tank linked to the Thatcher government in Britain. The foundation has attempted to foist on the Reagan administration proposals for transition to a post-industrial America; Fabian Peter Hall openly collaborates with them.

The new Housing and Urban Development chief, Samuel Pierce, has rejected the Heritage approach of federal intervention to force elimination of rent controls or encourage migration. However, Reagan himself has strongly endorsed Peter Hall's pet "free enterprise zone" proposal.

Hall, who is a member of the Fabian Society executive committee along with Labour Party leftist Tony Wedgewood-Benn, normally works out of the University of Reading in England. That school is noted for its connections to the London-based Tavistock Institute of Human Relations, which spawned the "post-industrial" movement in the 1960s.

Hall came to this country to help push such plans. He is working with the Washington-based Heritage Foundation, the "right-wing" think tank that works closely with Margaret Thatcher's Tory government in Britain. The Heritage Foundation advocates repeal of the federal Davis-Bacon statutes and imposition of right-to-work laws to crush the U.S. organized labor movement.

The foundation is the leading proponent of Hall's enterprise zone proposal in the United States. Heritage policy analyst Stuart Butler, a Scottish-trained academic and a British citizen, boasted recently that he plans to exploit Heritage channels of influence in the incoming Reagan administration to promote the Fabian Peter Hall, whom he referred to as "one of the greatest urban thinkers."

"I am perfectly happy working with the Heritage Foundation and groups like that," Hall told a reporter. "We are living in a period of acute crisis. There is no longer any real point in maintaining the phony ideological distinctions between left and right economic ideas. The way I see things there is a real convergence between the quite left-wing Fabian types and the so-called new right. Both groups unite around their hatred of bureaucracy, their support for local control, and local initiative."

"It is really a question of understanding the roots of these ideas," Hall continued. "Look how many members of the Mont Pelerin Society (the monetarist cult which includes such people as Milton Friedman—ed.) were members of the Fabian Society. How are such transformations possible. It is really only because they are currents of the same liberal economic thought, like Adam Smith and Karl Marx."

"We must face facts," Hall stated. "True Fabians must look to the new right to push through some of our more radical ideas. It is a real irony that Maggie Thatcher and Ronald Reagan may wind up taking us fairly far down the road toward a post-industrial society, despite the fact that we Fabians invented the term."

Stuart Butler of the Heritage Foundation expressed a similar idea recently, stating that the foundation will use the Reagan "right-wing administration to impose left-wing policies."

Hall described his vision of the transformation in stark terms: "There are two Americas. One is the 19th century heavy industrial based society. The other is the growing post-industrial society, in some cases built on the shards of the old America. It is the conflict between the two worlds which will produce the crisis and social cataclysm of the next decade. The two worlds cannot co-exist. In the end the post-industrial world must crush and obliterate the other one."

The industries of the industrial revolution—auto, basic steel, etc.—have reached the "end of the road," said Hall. Hall calls, for example, for "the dismantling of the West German economic miracle." Industry was rebuilt in Germany after the war on "the false premise that industrial growth could go on forever. Industrial growth in Germany is finished and the country will undergo a planned collapse." The most farsighted members of West German Social Democracy, like former chancellor Willy Brandt, understand this, Hall says.

Toward this end, Hall played a key role in a recent study of cities in the Ruhr industrial region in Germany funded by the U.S. German Marshall Fund, which targets for deindustrialization such cities as the steel center, Dortmund.

There is this idea, especially among the working class in Germany and in the United States that production and industrial progress will solve everything, Hall said. "This idea will die hard, but it will die. It will be killed."

"The problem is the grouping in the German Social Democracy and the British Labour Party and the Democratic Party in this country tied to the labor movement. The labor movement is the main roadblock to the post-industrial idea," said Hall. They will make alliances to prevent the scrapping of heavy industry. Their power to hold back progress must be broken."

George Sternlieb: 'Americans should replace the wetbacks'

The following interview is with George Sternlieb, professor of urban studies at Rutgers University in New Jersey, and a principal adviser to the urban policy task force chaired by Mayor Pete Wilson of San Diego, Calif., which drafted the recent transition team report to President Reagan on housing and urban policy. Sternlieb's work was consulted extensively by the Carter administration's President's Commission on a National Agenda for the '80s.

EIR: Dr. Sternlieb, what is your opinion of the Agenda 80 report?

Sternlieb: It's a very important report—not because anything is going to happen immediately, but because it opens up a discussion. It will have a liberating influence. From the viewpoint of cities like New York, it is the best thing that can happen. One of the main problems New York has had is the overwhelming presence of people who cannot support themselves. If the cities can decamp themselves of these people, it will open up the possibility of remaking the central cities on a new basis.

EIR: Do you mean a city based on recreation?

Sternlieb: This is the post-industrial era. The city of Manhattan and its colonies are flourishing. Jerry Heinz is building there. But the immigrants need to go where the blue-collar jobs are, and they're not here.

EIR: Do you really expect Midwestern industrial towns to be able to make that kind of transition?

Sternlieb: No. Certain cities are not going to make it in the post-industrial era. Youngstown [Ohio] is going to have to die, and the faster it dies, by so much will the human agony accompanying the tragedy decrease. There are very real questions about the city of Detroit and what purpose it serves. A few years ago, Detroit had a population of 2 million; now it has 1.2 million, and even that is too much. It is going to have to shrink some more. This is a case in which less is more. Detroit won't disappear altogether—there will still be a major banking center, the new Renaissance Center of hotels and convention centers, but the big industrial plants are a thing of the past. Detroit doesn't have the jobs for its population and it won't have jobs for them.

Now, the bill we are proposing, that is, what the report recommendations say, is that welfare should be nationalized, so a recipient can pick up his check anywhere in the country. This will greatly facilitate labor mobility.

EIR: Do you think the Republicans will go along with that?

Sternlieb: You should remember that this national welfare proposal came out of the Republican Party, out of [Milton] Friedman, and was supported by [Daniel] Moynihan but defeated by the Democrats. There is still a long and thorny trail ahead of this proposal, but that is the way we are going to move.

EIR: To your knowledge, who in the Reagan administration would favor it?

Sternlieb: I would assume that Martin Anderson is very favorable toward this idea.

EIR: But you're talking about shutting down the entire



Machine-tool production in the Northeast: basic industry under fire.

industrial heartland, which is the basis of our economic and military strength!

Sternlieb: You have to be realistic. This is the post-industrial era. There are certain cities that will participate in the post-industrial era and those that won't. There is a very real question as to what function, if any, the old industrial towns have. Cities like Scranton [Pennsylvania], Wilkes-Barre [Pennsylvania], Newark [New Jersey], and Youngstown are all going to have to disappear. On the other hand, Manhattan will be glorious. Upper Michigan Avenue [Chicago's hotel and boutique center] will be glorious; the rest of Chicago will be shitty. The post-industrial era is happening. Blue-collar employment is down. Jobs that used to be in central cities are now in Taiwan or Hong Kong. That's a good thing. The problem is what do you do with all the redundant people.

It's my guess that you cannot reconstruct the United States of the 1950s or 1960s. We are on the verge of a massive worldwide revolution in production techniques. We have a worldwide problem of a redundant labor force. Even in paper-shuffling, the age of bulk employment is over. The only jobs remaining will be those for the trained and talented—lawyers, accountants, and consultants.

EIR: But we will still have to have some industrial employment.

Sternlieb: As far as the United States is concerned, the residual blue-collar employment, like construction, will be in the Southwest.

EIR: You say the main problem is redundant laborers; does that mean you advocate reducing the population?

Sternlieb: It will ultimately be necessary to have zero- or negative population-growth. We are already below zero-growth in Europe, European Russia, and the United States; the problem is that most of the world is still growing. Mexico, at its current rate of growth, will eventually reach a hundred million people, when they can't support half the people they have now. I think it's interesting that in the three Third World countries with the fastest-growing GNP—Mexico, Brazil, and Colombia—the amount of blue-collar employment has not grown at all.

EIR: To sum up, what do you think the report means for the new administration?

Sternlieb: The key issue the administration is going to have to face is whether the United States is really New York City in disguise—whether this country is living beyond its means. What does the United States do so well as to justify its standard of living? We have to optimize our use of population. The cost of reinventing the industrial city is too great. That doesn't mean you don't use the enterprise zones, but we have to realize that that is just a rowboat trying to tow the Queen Mary. Rather than trying to save doomed industrial centers, it would be much more efficient to relocate people to where we are bringing in wetbacks because there isn't enough cheap labor.

The austerity thrust

From an article in the latest issue of the London Economist:

"Cities are not permanent," says the report of a presidential commission on a National Agenda for the '80s, in a sentence that should sound orthodox for a society as restless and open to change as those 200-year-young United States. Yet the suggestion that the federal government should not stand in the way of the drift of industry and people from America's grimier northern industrial heartland to the booming states of the South and the West has been greeted as if it meant the end of life as Americans know it. . . .

The commission . . . wants to nationalise the welfare system because it is only when welfare payments are equal all over the country that the poor and the unemployed in the labour force will become truly mobile. . . .

The lesson for the nastier northern cities is that there is no alternative to disgorging many of their present inhabitants if they are ever to compete as attractive slimmed-down service centers for the new surrounding rural industries.