Depression and irregular warfare

The German elite's call for harsher austerity plays right into the Kremlin's hands.

The ongoing process of radicalization of labor in Germany provides an opportunity that Kremlin leaders, always seeking "class struggle" conditions to develop an infrastructure for irregular warfare, would not want to miss, and indeed, they aren't.

The broadening mass strike and riot ferment among steel, iron, and mining workers in the Ruhr region is being exploited by the tiny but well-organized German Communist Party (DKP). Never before in postwar West German history, have the Communists had such a big catalytic influence on the labor movement at-large and the Social Democrats. Never before have left-wing socialists among the Social Democratic Party (SPD) had such influence on previously moderate labor bureaucrats.

This process of radicalization has the potential of mobilizing some 900,000 SPD members in tandem with the 60,000 DKP members controlled directly from Moscow, and 8 million members of the organized labor movement in Germany. Once set into motion under a common banner, this front for social upheaval is certain to overthrow any government in Bonn and transform every social and political institution in the country.

Quite amazingly, the political and economic elites in Germany show no intention of defusing this threat, but rather, are proposing policies that will be of great help to the agitators.

Faced with the results of the Oct. 19 "Black Monday" crash, namely, the devaluation of German blue chips by some 30-40%, the elite of German banking and industry have decided on a policy of "utilizing the crash for a profound restructuring of the economy." The big names in banking and industry see what they call a "long-awaited chance" in the collapse of sectors like steel, iron and mining, shipbuilding, and agriculture.

It is expected that under the building pressure of world monetary instability, gaping budget deficits and increasing debt service, the government will cut subsidies to "old production" and invest in "new production" (largely identical with the technetronic sector). Products of the "old industries" are to be imported from select, cheap-labor low-cost enclaves in the Third World. The Bonn government is expected to privatize the state-sector economy (public transport, steel, the Volkswagen auto works) and increase consumer taxes to gain budget liquidity. It is also expected that the labor movement, faced with new waves of layoffs, will accept a general lowering of industrial wages.

Some of the big names in banking and "new production" industry met Feb. 5-6 in Stuttgart at the governmental palace of Lothar Spaeth, the minister president of Baden-Württemberg who apparently is their choice for next chancellor of Germany. This gathering, featuring Alfred Herrhausen (Deutsche Bank), Edzard Reuter (Daimler-Benz), Gert Lorenz (Philips), and Marcus Bierich (Bosch), among others, discussed a platform calling for "the freedom to disinvest from problem regions" and for "regionalization of industrial wages." They discussed steps toward privatization of the telecommunication and transportation sectors, as well as a deregulation of state-subsidized industries and the farming sector.

Translated into concrete effects on the employment situation, this platform means laying off several hundred thousand industrial workers, of which only very few could hope to be reemployed in "new production." It means that some 60,000 workers in the steel sector, 40,000 in coal mining, and 10,000 in shipbuilding will have to go in the next two or three years, and that of currently 260,000 railway workers and employees, 180,000 will be laid off within the next eight to ten years. On the agenda are also layoffs of some 100,000 construction workers. Together with the feeder industries and crafts, this adds up to some 1.5 to 2 million workers in "old production"—8% of the total workforce of the country!

Already, Germany has 2.518 million officially-registered unemployed workers, to whom some 1 to 1.5 million non-registered workers can be added, who either work in the black economy and don't pay taxes, or depend on social welfare. Some 40% of the jobless have been without employment for more than two years.

In terms of just the figures, this adds up to at least 20% of the country's total workforce, whose employment has been canceled, is insecure, or will end over the next few years. Roughly estimated, some 35% of the 57 million West Germans are affected by this policy, making for a very fertile ground for radical agitation.

As if ruled by "lust for decline," the government here plans to increase consumer taxes. A 15% price increase on gasoline, expected to yield 8 billion deutschemarks in additional revenue to the state treasuries, is only the beginning of the austerity policy that could help deliver 57 million West Germans to Moscow.