

Report from Bonn by Rainer Apel

The monetarist banks are the enemy

A remoralized labor movement is beginning to pose a serious challenge to free trade looting policies.

Managers of Deutsche Bank, Hide Quickly Inside Your Safe!" was one of the prominent slogans of steelworkers during their March 25 protest rally in front of the bank's headquarters (see last week's *EIR*, p. 4). Another slogan read, "Bankers of Frankfurt, We're Coming!"

The slogans show that the German labor movement has finally begun to discover that the monetarist banks are its main enemy. The attempt by Deutsche Bank's Morgan Grenfell in London, to stage a hostile takeover of the Thyssen industrial group, has provoked an open labor revolt against the policy of the banks.

Labor had been heading for a big conflict with the banks in 1980-81, when the high-interest-rate policy was introduced in West Germany and the first disastrous effects on investment and industrial employment were felt. But that struggle was fought out behind closed doors, between union leaders and members of the central bank. The labor movement lost that struggle, because it did not carry out a broad mobilization, and the protest was bought off by the government of Social Democrat Helmut Schmidt, which gave numerous extra social benefits to those Germans who lost their jobs. And, the labor union bureaucrats discovered ecologism and service sector politics as a purported "front" against the government.

This approach paralyzed labor, which lost most of the battles with the bankers, budget-cutters, and downsizers during the 1980s and early 1990s, because the labor movement was never prepared to deal with the chal-

lenges posed by the monetarists. The more the unions pushed ecologism and service sector economics, the more jobs were destroyed in industry. Only in the context of the recent, deeper budget cuts, and of the dramatic increases in mass unemployment in late 1996, has the labor movement woken up and rediscovered its muscle.

The four big nationwide strike waves between September 1996 and April 1997—including the October autoworkers strike, the parallel protests and road blockades by the mining and construction workers in the second week of March, and the steelworker protests in the third week of March—have remoralized the labor union movement, and have made it much more political.

The strike waves originated on the local level in the plants and the mines, and broke out of the ecologist strait-jacket of the union bureaucracy, a dynamic typical of a political mass strike movement. The union bureaucracy only jumped on the bandwagon when it was already rolling. But the dynamic, which has stirred up the labor 'crats in general, has helped that minority of labor leaders who want to confront the government on fundamental economic issues rather than ecological ones, to gain influence.

Ursula Engelen-Kefer, the national vice chairwoman of the German labor federation (DGB) is one of those who have begun to address the monetarist issues in a political, and more internationalist way.

For example, in an interview with the Italian daily *La Repubblica* during

the peak of the mineworkers' protests on March 12, Engelen-Kefer explained that the strike wave is a revolt against the European Union's Maastricht Treaty criteria. It is, she said, a revolt against a government that is misusing the issues of European integration and monetary union as pretexts to impose budget cuts.

The Maastricht agreements, which so far have exclusively favored monetarist concerns about balanced budgets, need to be renegotiated, to include an employment policy program, she said.

Engelen-Kefer addressed the problem again, at the peak of the steelworkers' protests and their march to the Frankfurt banking center, in an interview with the March 26 *International Herald Tribune*. In the interview, she said that, unlike Finance Minister Theo Waigel, she thought "we could have Maastricht without pushing more people into unemployment and poverty." Waigel "should stop misusing a harsh interpretation of the Maastricht criteria as an excuse to cut social benefits," she said. In an interview with the *Sächsische Zeitung* on the same day, she called the monetarist orientation of the German government a "self-imposed trap," which would lead to an official jobless rate of over 5 million. She urged that an entirely new criterion be renegotiated in the Maastricht Treaty: the seriousness of a government's commitment to fight mass unemployment.

What Engelen-Kefer called for, however, is not compatible with the interests of the budget-cutting and debt-paying monetarists, because it would require extra state funds for creation of jobs. But, because the labor movements of France, Italy, and Belgium are engaged in similar political conflicts with Maastricht, there is a good chance to make the role of the banks a European issue.