Mass strike in Germany will overthrow 'Maastricht Europe' monetarist scheme

by Rainer Apel

Sometimes, a person indulging in daydreaming does not return to reality, unless he bumps his nose into something hard. This is what happened to the neo-liberal German government of Chancellor Helmut Kohl, which has spent most of its time in recent months, not governing, but looking for ever-new budget items that could be sacrificed, for the sake of "meeting the Maastricht Treaty's strict budgeting and borrowing criteria." The government, which had been a staunch proponent of the balanced-budget insanity even before House Speaker Newt Gingrich made himself a trademark in U.S. politics, has recently turned into the political equivalent of the financial world's shareholder value fetishists.

Now, the chancellor's nose has made acquaintance with bitter reality, after 20,000 enraged coal miners marched to Bonn on March 10, protesting plans to cut the annual state subsidy payments of 10 billion deutschemarks ($6.25 billion), by two-thirds. They sealed off and put under siege the party headquarters of the Free Democrats—Kohl's minor coalition partner, and is the major ideological evil inside the government—and beleaguered the entire government district of Bonn. This was intended to increase the heat on Kohl, prior to high-level talks with the leaders of the miners union scheduled for March 11.

Faced with the miners just outside the chancellery, Kohl lost his temper and called off the meeting with the union. Learning about this, the miners immediately moved into the inner government district, the "forbidden city," with several hundred of them breaking through police lines, shouting, "We want jobs," and "We are the people." The latter slogan recalled the hot days of the refugee summer and protest autumn of 1989, when the people of East Germany took to the streets, shouting, "We are the people," to make clear that they had lost all respect for the regime. The outburst of the miners into the "forbidden city" not only awakened the government, but also the opposition Social Democrats, who hurried to the site to calm the miners down, and guide them out of the government district. The Social Democrats' fears that things might get out of control were real: As the *Frankfurter Allgemeine Zeitung,* Germany's leading daily, noted the next day in a front-page editorial, the "post-industrialist" SPD got stirred up by "real workers," by real people, about whose existence the SPD seemed to have long forgotten.

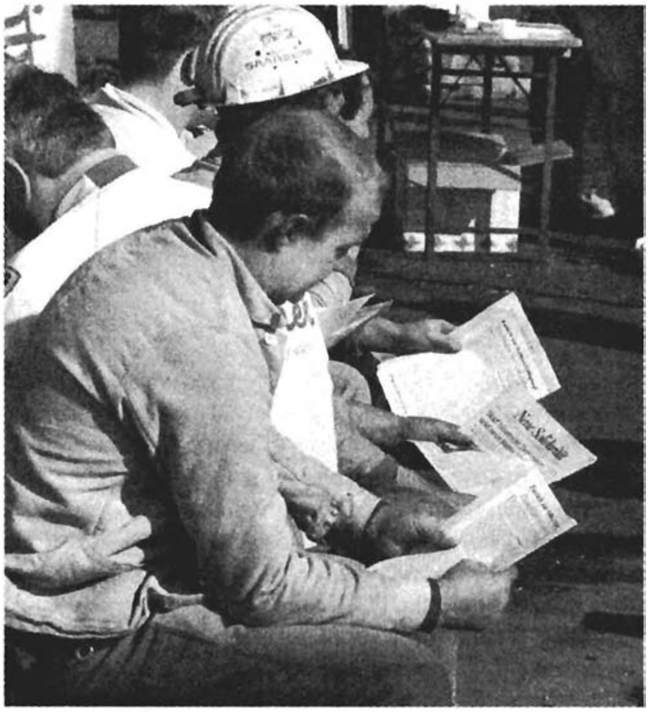
In other parts of Germany, such as the two mining states of North Rhine-Westphalia (N.R.W.) and Saarland, miners blocked roads, highway junctions, canals, and administrative buildings, and, for the first time, miners and steel workers of the Thyssen Steel plant in Duisburg got together to coordinate the potential shutdown of the port there, Europe's largest industrial port, which supplies most of the industry in this heartland of the German economy. And, a delegation of about 100 miners drove the 700 kilometers to Berlin to join the ongoing, parallel protests of 10,000 construction workers against the Kohl government. At the same time, in Saarland, miners became so enraged at Kohl's cancellation of the meeting with their union leaders, that they instantly organized buses to go to Bonn, and some of them even came up with plans to drive to Frankfurt, the banking center of Germany, to "bring hot coal to the bankers."

Unfortunately, this latter plan was not carried out, but 20,000 Saarland coal miners arrived in Bonn to continue the protests, replacing the N.R.W. miners who had been "rotated back" to their home regions. Thus, hardly had the N.R.W. miners been eased out of the "forbidden city," than the Saarland miners were massing at the gates of the government district on March 12.

A foul deal

The message of this revolt—to find a precedent for which one must look to the last days of the Weimar Republic, when the Great Depression of 1929-32 hit Germany—was clear: Either the government retracts its budget-cutting plans, or the nation would witness the biggest social conflict in its 50-year postwar history, and, likely, the collapse of this government. Thus, when Kohl met in Munich with top industrial leaders from throughout the nation on March 13, he signalled concessions to the miners: The scheme for shutting down the coal mines would be scaled back in size, stretched out in time, and the budget cuts would not be as drastic. It was a foul deal which Kohl offered, but it was signed, not least because of the political pressure exerted on the mine workers union by the Social Democrats.

The miners returned home on March 13, but with their fists in their pockets, because experience had shown them during the most recent years that this government cannot be trusted. In any case, even the new plan implies the elimination of 50,000 mining jobs, so, the miners cannot be expected to



Germany's miners have had it with the Kohl government's endless promises, which do nothing to stop the destruction of their industry and livelihoods. Here, miners at a demonstration in Saarbrücken read Neue Solidarität, *the newspaper of the LaRouche movement in Germany.*

be content with Kohl's concession. Nor have most details of this "coal plan" even been negotiated as of this date, so, the rebellion of the miners can explode again, and soon.

Also on March 13, Kohl made a concession to calm down the protesting construction workers, announcing a special incentive program of DM 25 billion to promote new investments, new projects, and the re-employment of several tens of thousands of workers in the construction sector. The program will be run through the state-owned Reconstruction Bank, which specializes in long-term credit lines at reduced rates of interest, and has been welcomed by the construction workers. But, the government has not agreed to restore certain regulations which Kohl had abolished in autumn 1996, thus contributing much to the dramatic rise in the jobless rates in the construction sector—by 200,000 jobs in January alone. Unless the sector is re-regulated, a time bomb is ticking under this incentives program. The construction workers also want legislation against financial speculation, of which they have become a prime victim, because excessive real estate speculation has collapsed numerous construction firms in the past two years, and killed 420,000 jobs in that sector.

Having calmed the March 10-14 labor revolt, the government found itself in the middle of yet another big conflict on March 18, when enraged steel workers of the Thyssen Steel plant in Duisburg interrupted their work, denouncing plans of three banks—Deutsche Morgan Grenfell, Dresdner Kleinwort Benson, and Goldman Sachs—for a "hostile takeover" of Thyssen by Krupp-Hoesch Steel. This shareholder-value assault on a few profitable aspects of the German steel sector, that might serve financial speculation, and eliminate an estimated 30,000 jobs in the process, provoked a new wave of unrest among workers in North Rhine-Westphalia and caused a public outcry across the nation.

Whatever intervention the Kohl government might choose to calm the latest wave of unrest, it remains a fact that from one day to the next, the nation is stumbling from one conflict and disaster to another. There are many smaller labor protests and strikes going on every day in Germany, and all of this can develop into a real brushfire, at any given moment. The nation is like a boiling pot, and the stop-gaps which the government is using, for lack of a real lid, do not work properly.

Maastricht becomes the target

It is not just these particular labor revolts which the government has to bring under control, but also the potential for an open, popular revolt against the European Monetary Union plan, the "Maastricht Europe." Most of the budget cuts in the past few months have been justified by the government as measures demanded by the Maastricht scheme, so that labor protests are beginning to target that scheme more and more. When the Maastricht Treaty was signed in February 1992, there was hardly any public notice and no protests occurred. But ever since the government, in late summer 1996, began to implement more drastic budget cuts to meet the criteria by the planned starting date of the monetary union project, January 1999, the Maastricht process has come under broad attack. And, it is unlikely that the government will be able to escape a referendum on the project, which will result in a majority "no" vote, as things now stand.

The government has to look for a way out of the suicidal Maastricht trap, because the prospect of not having the nation's support for this policy, and risking a revolt of the population against the government that pursues that policy, is threatening to become a reality. Moreover, Germany is faced with national elections in autumn 1998, so, there are plenty of reasons for the Kohl government and the political establishment to be concerned. Germany has changed, significantly, in these few days of March 1997, and the elites, at least some of them, have to change as well.

Maastricht: self-imposed containment

It is in this context, that one must look at a very unusual essay on "Maastricht Europe," in the March 13 *Frankfurter Allgemeine Zeitung,* which addressed the fact that that monetary union policy is against the real interests of the German nation. The author, Detlef Junker, director of the German Historical Institute in Washington, D.C., pointed out that the origins of the "Maastricht Europe" scheme lie in the Anglo-American tradition of "containment of Germany," which has dominated most of the 20th century and was the official policy of the George Bush administration, when the developments of 1989 left no doubt that Germany would soon be reunified.

Junker wrote—for the first time presenting this fact, which *EIR* had previously reported, to a broader audience in Germany—that the Bush approach to the unification of Germany in 1990 was the same type of "triple containment" which Lord Ismay, the first secretary general of NATO, defined for postwar Germany, in 1948: "Keeping the Soviets out, the Americans in, the Germans down, and the Europeans, especially the French, happy."

Forty years later, in 1989-90, the same constellation re-emerged, when German reunification was put on the agenda. Again, U.S. policy was containment through integration, which included continued (controllable) membership in NATO. Even more important, it included the control of the economic potential of unified Germany—in the framework of European integration treaties which were worked out in 1990-91 and have meanwhile become known as the Maastricht script for European Monetary Union, Junker explained.

But Junker warned that this scheme of control could not be kept alive in a situation like the present one, which is characterized by a revolt of economic realities against unrealistic, signed treaties: "The question is posed, though, whether the American government in the spring of 1990 had the right assessment of the scope and potential dynamic of the price, which especially France demanded and received, for its consent to the unification of Germany: the promise, to Europeanize the united Germany, especially the deutschemark—if the other European nation states were willing, to transfer central functions and rights to a European Center, step by step.

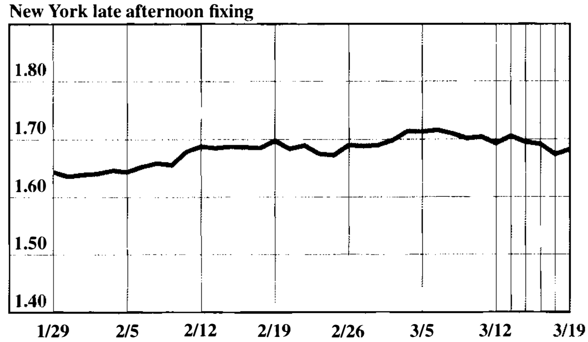
"For, the acceleration of the process of European integration since 1990, the road to Maastricht I and Maastricht II, the struggle for a unified European currency and foreign policy, the discussion about an expansion and deepening of Europe, about a reform of the European institutions and about a democratic legitimation of European policy, all have their origin in the desire of France and other European neighbors, to keep the influence of the new central power in Europe under control, through integration."

Now, as even France's elites have come to realize, they are strangling themselves and their economy, in the attempt to control what cannot be kept under control. And, as calls for scrapping the Maastricht agreements are becoming more frequent in France itself, there is a way for Germany to negotiate itself out of this straitjacket it was forced to put on, in 1990, Junker hints. His remarks come at a moment when the Clinton administration seems to have realized that, for the sake of stable U.S.-German relations, it cannot pursue a policy dating from the Bush era that is designed to keep Germans in the Maastricht straitjacket and thereby destabilize Germany by the day. The fact that Junker published his essay in his official capacity, seems to indicate that he wants to address co-thinkers in the Clinton administration, and open the doors for a review of the disastrous 1990 policy.

Currency Rates

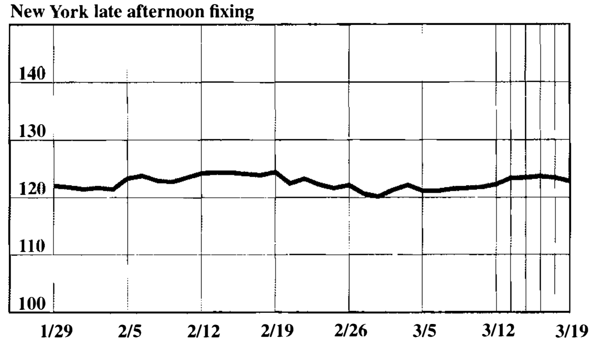
The dollar in deutschemarks

New York late afternoon fixing



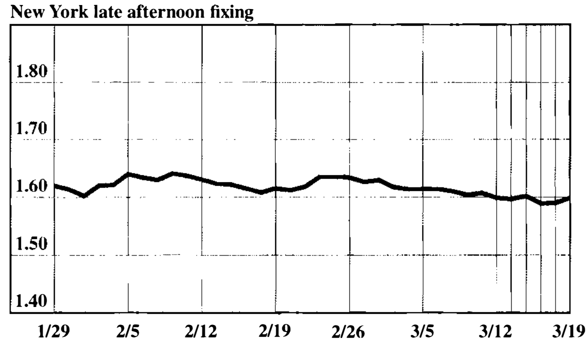
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing