

Report from Bonn by Rainer Apel

Germany faces an autumn of discontent

The Schröder government's support has shrunk to one-third of the electorate.

The coalition government of Social Democrats and Greens is now approaching a situation which may bring about a change of government, only one year after the last election. A stock market crash would instantly expose the government's economic incompetence, but its fall could also be triggered by a series of election defeats.

In September, there will be elections in four of the 16 German states—Brandenburg and Saarland (Sept. 5), Thuringia (Sept. 12), and Saxony (Sept. 19). In addition, municipal elections will be held on Sept. 12 in North Rhine-Westphalia, the biggest state, with 20% of the electorate. In recent weeks, opinion polls have shown the government coalition falling behind the Christian Democratic-Free Democratic coalition by 10% or more. Had there been national elections in the last two or three months, this government would have been voted out and replaced either by a new CDU-FDP coalition, or a "Grand Coalition" of the Christian Democrats and Social Democrats.

The latter option is what the majority of voters prefer. Two-thirds of the electorate are opposed to the government. And more than one-third, which is about the same number as supports the government, will abstain from voting at all. This includes many voters who regret that they voted against the CDU and liberal FDP government last September, because the new government has not performed any better. But, many of these voters will return to the Christian Democrats only if the party states a clear commitment to seek a Grand Coalition with the Social Democrats.

This is a summer of deep discon-

content, not unlike last year, before the CDU government of Chancellor Helmut Kohl was voted out. And, Schröder's government faces even worse problems than Kohl's did, because labor, in particular, expected the Social Democrats to do more against unemployment. Over the last three quarters, the red-green government has done nothing to lower the jobless rate. At the end of July, 4 million Germans were without a regular job, which is only slightly better than a year ago.

During the first half of 1999, there has been a net loss of 260,000 jobs, mostly in special government programs that are limited to a maximum of 12 months. About the same number of jobs will be lost during the second and fourth quarters of this year, because the special programs which the Kohl government increased massively during the spring and summer of 1998, thereby creating 600,000 jobs, are now expiring. The red-green government not only did not continue these programs, but it also wants to cut more than 9 billion deutschemarks from the Labor Ministry's fiscal year 2000 budget, which will be at the expense of funding for special job-creation programs.

Meanwhile, more industrial jobs are being lost, as a result of the Asian and Russian crises of 1998, which have collapsed exports. All of this means that official unemployment will head toward 5 million by late autumn.

Social Democratic Chancellor Gerhard Schröder has contributed to discrediting his government, by unmasking himself as a man of the banks rather than of labor. In an interview with the Aug. 2 issue of the weekly *Der Spiegel*, Schröder said of the

abrupt defection of Finance Minister Oskar Lafontaine in March, that Lafontaine's demise invalidated "concessions, which had better not been made," when his government was formed, in October 1998. The one "concession" that Schröder specifically raised, was: "I always viewed the conflict with the Bundesbank [the German central bank] as nonsensical. In Germany, you cannot win that one, as you cannot win a Kulturkampf," referring to the conflict which Chancellor Bismarck lost to the Catholic Church on the education issue 110 years ago.

What Schröder meant, was that he never shared the views of those Social Democrats who proposed things like a tax on speculation, or more political control of the central bank. As Finance Minister, Lafontaine had never proposed a real alternative to the bankers' monetarism; rather, he stressed that his views were identical with those of former U.S. Federal Reserve Chairman Paul Volcker.

But, proposals counter to some monetarist policies have come from Social Democrats, many of whom are roused by the programmatic campaigns of the LaRouche movement in Germany. And, there are prominent individuals, such as former Chancellor Helmut Schmidt, who do not share LaRouche's views but feel compelled to address the ferment these views are creating. In an Aug. 1 interview with *Welt am Sonntag*, Schmidt attacked the "Wall Street psychopaths" who are obsessed with speculation, and who would inevitably cause what Schmidt calls a considerable stock market "correction" on Wall Street—a crash, in plain language.

Many who oppose Schröder's pro-banks line will recall that what Schmidt said, has been said by LaRouche a thousand times before. The autumn of discontent may feature some unexpected developments.