Former party chairman attacks German SPD Chancellor Schröder: The Lafontaine debate

Peter Schwarz, Ulrich Rippert
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Since September 3, the German newspapers *Welt* and *Welt am Sonntag* have printed daily excerpts from the new book by Oskar Lafontaine entitled *My heart beats on the left*. The book was launched at the recent Frankfurt book fair.

On March 11 of this year, Lafontaine resigned from his positions as chairman of the SPD (Social Democratic Party) and finance minister of the SPD-Green party coalition government, without giving any reasons. His book is both a personal and political reckoning with German Chancellor Gerhard Schröder and the political course of his government.

Lafontaine thoroughly illuminates the events and reasons which led him to resign, and in the course of his presentation makes many serious accusations against Schröder. His depiction of Schröder's character is devastating, and Lafontaine makes clear that he regards Schröder as incapable of leading a government.

At the same time, Lafontaine claims to have developed "a social democratic project for the future" and puts forward his own political conceptions in opposition to those of the government.

In the SPD and the media—above all the media which is friendly to the SPD—Lafontaine's statements have unleashed a storm of outrage. The SPD's executive committee decided to make no public comments on the book and some of its members declared peevishly that they would not even read it.

The press has railed against Lafontaine as a "know-it-all", somebody who is "running amok", an "egomaniac". The *Frankfurter Rundschau* went so far as to talk of the "Saarbrücken chain-saw massacre".

The uproar reached its climax when writer Günter Grass, recent recipient of the Nobel Prize for literature, declared he was ending his friendship with Lafontaine and publicly called upon him to "Keep your mouth shut! Drink your red wine, go off on holiday, look for a sensible occupation."

These somewhat hysterical reactions were fed by the fear that, following the recent electoral disasters suffered by the SPD; Lafontaine's statements might destabilize and paralyze the party. Such fear was justified because somebody else in the party was sawing away at the branch upon which Schröder sits.

Defense minister Rudolf Scharping has not let a day pass without grabbing the headlines with his demands for increased German defense spending.

Lafontaine previously dislodged Scharping as SPD chairman, with the backing of Schröder. For some time, he has been regarded as a secret rival for Schröder's job. The fact that he has expressly sought conflict over the question of defense spending is an open appeal to the most right-wing political and social forces.

A final decision regarding the defense budget for the year 2001 must be made in May of next year, and an open conflict over the issue is inevitable. In the same month, regional elections take place in the SPD stronghold of North Rhine Westphalia, where Schröder could hardly survive a defeat. The result would either be new national elections or a so-called Grand Coalition between the SPD and the CDU (Christian Democratic Union) under Scharping's leadership.

Under these circumstances, despite all the efforts of the SPD executive committee, it has proved impossible to suppress a public discussion over Lafontaine's book. The Lafontaine debate is not primarily about a power struggle between two ambitious politicians; it concerns the political direction of the SPD, under conditions where the party in its old form — as a party of social equilibrium and compromise — is breaking apart.

It is therefore necessary to take up Lafontaine's arguments in a critical manner. The *World Socialist Web Site* plans to publish a series of articles dealing with the different issues raised by Lafontaine's book. This article presents an overview of the debate and an initial estimation of the issues at stake.

Social justice

The demand for social justice is the *leitmotiv* running throughout Lafontaine's statements. He wants *My heart beats on the left* to be understood in this sense. His central accusation against Schröder is that the latter has broken his promise to "realize more social justice in our country".

Following his resignation, Lafontaine says the SPD-Green coalition undertook a radical change of course in favor of neo-liberal policies, and in the process swept aside all of the promises they had made in their election program. As proof, Lafontaine cites the policy paper jointly published earlier this year by Schröder and British Labour Prime Minister Tony Blair, as well as the cost-cutting program—"Future Program 2000"—introduced by Lafontaine's successor as German finance minister, Hans Eichel.

The reference to "social justice" is by no means new in Lafontaine's political biography. In his previous book, *No fear of globalization*, which he published last year together with his wife Christa Müller, page after page is devoted to the growth of social inequality, the redistribution of income, and conditions in the US, which he criticizes for "the yawning gulf in the distribution of incomes and the low level of social insurance".

He favorably counterposes the "European welfare state" to "Anglo-Saxon capitalism". In an interview with *Welt am Sonntag* which preceded the publication of his book, Lafontaine emphasized that he regarded it as "indefensible when a manager receives an income of millions per year, while workers have to put up with a drop in real wages. That is a society which I do not want."

The demand for social justice can be interpreted in two ways. When it is understood in the sense of social equality, i.e., as the first step in overcoming inequality in society, it is necessarily directed against the existing property and ownership relations, in which social inequality is anchored and which continually produce new inequities.

Genuine social equality requires a transformation of the social order. That is the sense in which the mass of the population understands this demand. It is the source of its popularity and explosive political power. All opinion polls are agreed that the root cause of the disastrous defeats

for the SPD and Greens in recent state elections is disenchantment among broad layers of the population arising from the government's abandonment of its promise to introduce greater social justice.

Lafontaine interprets the demands for social justice in an entirely different way. He does not aim to establish a society based on genuine social equality. He made this unmistakably clear in an interview which he gave *Welt am Sonntag*. To the objection that “equality and justice are two completely different things”, Lafontaine responded: “Of course, we have never regarded equality as equality of outcome, we have always aimed for equality of opportunity. Equal outcomes will never be achieved.... An equal chance to shape one's life in freedom and dignity—that is what we want.”

For Lafontaine it is not a question of overcoming the existing social order. He does not even oppose the dismantling of the existing social welfare system. In the past he provoked protests on the part of the trade unions by demanding flexible working hours, longer running times for machinery, cuts in the workweek without wage compensation, and similar measures.

A significant part of the election program of the SPD, which bears his signature, is the demand for a state-supported low-wage sector, in which the unemployed and welfare recipients would be forced to accept jobs at substandard wages. As finance minister, his proposal that unemployment insurance be paid only to those in need was regarded as beyond the pale even by conservative politicians concerned with social issues.

For Lafontaine the critical issue is to ensure social acceptance for such measures. He fears that should the measures advanced by the government lack the appearance of “social justice” (i.e., the appearance that the rich are paying their share), growing social divisions will break apart the existing social order.

In his book *No fear of globalization* he bluntly describes the wild divergence between incomes as a danger to “domestic security”, and concludes for this reason that a “class society” is neither desirable nor sensible. In the same book he makes a direct parallel between the current “economically absurd competition to establish the lowest possible wages, social conditions, standards for the environment and taxes on capital reserves” and the “dreadful end” of the German Weimar republic in the 1930s.

Against neo-liberalism

The fear that the unrestrained activity of the market could explode the social order is behind Lafontaine's conception of the state and his emphasis on the primacy of politics over the economy—the second central theme of his book.

He writes that the essence of his work as SPD party chairman consisted of “daring to stand up to the neo-liberal mainstream”. He continues: “Social democrats have the political task of restraining a capitalism that has gone wild, which justifies itself by pointing to the so-called iron laws of the economy.” The great challenge for social democracy consists of “counterposing to Anglo-Saxon capitalism, the European welfare state system and creating an orderly framework for the deregulated world market”.

When one compares these statements to his practice as finance minister, as described in his book, his argument runs as follows: within the national framework, the advocacy of a “twin strategy of supply and demand policies” in opposition to the domination of supply-side policies. An emphasis on monetary policy as a means of overcoming unemployment [over which he came into conflict with the German Bundesbank, which is pledged to utilise monetary policies primarily to maintain the stability of the German currency] and a flexible approach toward the national debt. Within the international framework, he calls for restrictions on international speculation, stabilization of currency markets, deceleration of short-term capital transfers, and laws governing international competition.

In both respects Lafontaine bases himself on political and economic experts who are by no means left-wing, and, in many cases are politically conservative figures: Helmut Schmidt, Paul Volcker, Carlo Ciampi, James Tobin and, naturally, John Maynard Keynes. His proposals, while perhaps somewhat controversial, by no means contradict the existing economic framework. They are variants of bourgeois economic policy.

To consider Lafontaine's economic prescriptions in detail, and the example of France, which he regards as a model for his policies, is beyond the parameters of this article. However one thing can be established: at no point does Lafontaine tackle the underlying causes of the social development which he denounces, despite the fact that these very social and economic trends have dominated the world for the past two decades. For him the ravages of the international finance markets, their disastrous consequences for the working population and the poorer countries, are nothing more than the end product of false economic and political decisions.

He treats the market liberalization policies of the eighties as a purely subjective problem, as a “fashion” which no one opposed in time: “The liberalization of the world-wide capital markets in the eighties was a political decision. It is important to establish this fact, because the impression is often given that this development was something like an act of God.”

This development was by no means an act of God. Rather it arose from very definite material interests. The liberalization of the capital markets was part of a political offensive in which the bourgeois class proceeded on a world scale to recover all those social gains that the working class had won in the course of struggles in the previous seventy years. This offensive was not limited to economic and political measures, but was bound up with sharp class struggles, such as the suppression of the PATCO air traffic controllers in the United States and the one-year miners' strike in Great Britain.

The opening shot in this direction was the bloody military putsch in Chile in 1973, where the neo-liberal economic model was tried out for the first time. The connection is confirmed today in the defense of General Pinochet by a leading light of liberalization, the former British Prime Minister, Margaret Thatcher.

Social Democracy had no alternative program with which to combat this offensive. On the contrary, it supported this development—either passively or actively. The consequences of this course have fundamentally transformed society. A small layer at the top has been able to enrich themselves fabulously and acquire unparalleled political power. Under these circumstances, even the most limited attempt to change this political course provokes vehement resistance. As finance minister, Lafontaine experienced this himself, and came under fire from business organizations and the international press.

The resistance from those circles that set the tone in Germany can only be broken by the mobilization of working people. Lafontaine, however, will not and can not draw this conclusion, which would suppose a complete break with his basic social democratic conceptions. This is the source of his contradictory behavior, including his self-portrayal as a persecuted political innocent who always wanted the right thing, but was bruised and sabotaged by the intrigues, insults and disloyalty of others.

In all seriousness Lafontaine maintains that, after his resignation, he expected Schröder to undertake a change of course: “I was certain that after my resignation Gerhard Schröder would take over the post of party chairman. There I saw the chance for a new beginning. As party chairman, I hoped he would respond to the party and forego his habit of developing his own profile at the cost of the party. Only in this way, in my opinion, would a unified social democratic policy emerge.”

In light of the political accusations which Lafontaine has hurled at Schröder, such an expectation appears absurd. It shows that, irrespective of the radical form in which he presents his policies, Lafontaine thinks

only in terms of maneuvers within the framework of the existing institutions, not of the movement of social forces.

The Kosovo War and Europe

The core of Lafontaine's criticism concerns social and economic policies. In order to really understand his political standpoint, however, it is necessary to tackle his views on foreign policy. Here Lafontaine vigorously attacks the course of Schröder, Fischer and Scharping in two respects—the Kosovo War and European policy.

While he acknowledges his own mistakes in the period leading up to the Kosovo war—"For too long I proceeded from the standpoint that NATO would not carry out its threats"—he accuses Fischer and Scharping of "morally exaggerating the German contribution to the war", thus making a sober political assessment impossible. In his opinion, "The actions of NATO were irresponsible." The war failed to put an end to murder and expulsions in Kosovo, nor has the Serbian population been spared.

At the heart of his criticism is the charge that German foreign policy was far too dependent on the US. "It was unforgivable to follow the Americans and push the United Nations to one side." At another point he denounces the Green foreign minister and declares unacceptable "how Fischer, like no other foreign minister, hangs on every word from the lips of Madeleine Albright and is absolutely smitten with her. With a certain degree of astonishment, I observed how he encourages military interventions and has raised loyalty to the Alliance as the foundation of Germany's foreign policy. I expected that, irrespective of loyalty to the Alliance, he would critically question the measures planned by the Alliance, in particular the position of the Americans."

According to Lafontaine, the German government should have energetically counter the Americans on two fronts. From the very beginning it should have insisted on "the inclusion of the UN Security Council, Russia and China", and it should have respected "the monopoly of force of the United Nations".

He writes: "Only when it was too late did Schröder and Fischer realize that peace in Europe is only possible with the co-operation of Russia", and further: "Military intervention was carried out in breach of international law and in contravention of the stipulations of the NATO Treaty."

Lafontaine's criticism of Fischer and Schröder's European policy follows a similar pattern. He accuses them of encouraging Germany's relationship with Washington and London at the expense of co-operation with France. In his opinion reconciliation between France and Germany is at the heart of the unification of Europe.

"If German foreign policy ignores this lesson, it will lead to considerable problems in Europe. In this respect I am troubled when I see that Foreign Minister Joschka Fischer tends rather towards Madeleine Albright and Chancellor Schröder continually declares his sympathy for Tony Blair. The German-French relationship has clearly worsened in recent years."

Lafontaine sums up his view as follows: "The worsening of the German-French relationship has severe disadvantages for Europe. Whether one prefers French or Anglo-Saxon culture is of little interest. In foreign policy what counts is sober assessment and a clear definition of one's own interests. No land is so dependent on the progress of European unification as Germany. We can only proceed with European integration in collaboration with France. For the foreseeable future Great Britain will play a special role of its own."

He also criticizes the Schröder-Blair manifesto from this standpoint. In terms of its content, he regards the paper of little worth. It is a "potpourri of generalities and vague concepts", unsuited for a proper programmatic debate. One can interpret the document as one wishes, he continues, but it has been greeted in Paris with a great deal of mistrust and has contributed to transforming the mood of enthusiasm among the French Socialists, arising from German social democratic successes in the national elections, into a feeling of gloom.

Lafontaine's foreign policy positions reveal fissures inside the SPD which cannot simply be reduced to the categories "left" and "right", but rather have deep roots in the past. Under its first chairman following World War II, Kurt Schumacher, the SPD rejected Germany's integration with Western nations and rearmament within the framework of the North Atlantic treaty. The party's arguments were more nationalist in character than pacifist. The German chancellor of that time, Konrad Adenauer (CDU), was regarded as the "Allies' Chancellor".

The SPD changed its position for the first time at the Bad Godesberg party conference in 1959. Since then the fundamental orientation of the German state has been loyalty towards the Atlantic alliance. Despite occasional tensions, the first two social democratic Chancellors, Willy Brandt and Helmut Schmidt, proved to be a reliable ally of NATO. Schmidt even lost his office when he imposed the so-called "NATO double resolution" (enabling the stationing of American medium range rockets on German territory) against the majority of the party. At that time, the leader of the opposition to Schmidt inside the SPD was Oskar Lafontaine.

Since German unification in 1990 a further political reorientation has taken place, not just in the SPD, but in all German political parties. Growing significance is given to the demand that Germany and Europe more emphatically assert their own interests against those of the US. No less prominent a figure than Helmut Schmidt declared in an article for *Die Zeit* at the highpoint of the Kosovo war that the European Union "had to avoid becoming a strategic satellite of Washington".

Looked at more closely, Lafontaine's criticism of Fischer and Schroeder's reliance on America corresponds to the dominant political tendency in Germany. In light of unresolved trade disputes and different strategic interests, a growth in tensions between Europe and America is inevitable.

Criticisms of the Kosovo War which very closely resemble those of Lafontaine can be heard from the former Stalinist PDS (Party of Democratic Socialism) on the left, to sections of the CDU/CSU on the right of the political spectrum. Lafontaine's concern over damage to the German-French relationship is shared, above all, by former Chancellor Helmut Kohl. On this issue, fissures become apparent which run through all political parties and which can lead to a completely new restructuring of the party system.

Up until now Lafontaine has cloaked his criticism of the US in the form of a "peace policy". But an intensified foreign policy initiative on the part of Europe against the US is inevitably bound up with intensified military initiatives. This aspect has been under discussion in expert circles for some years now. The efforts towards establishing an independent European defense capacity have to be seen in this light. Lafontaine's comments on this issue, therefore, are completely compatible with a larger military role for Germany.

Other representatives of the SPD who are close to Lafontaine have expressed themselves much more clearly in this regard. The parliamentary deputy Konrad Gilges, in a contribution towards "future peace policy for the SPD lefts," declared: "The emancipation of European policy from US-American dominance is the only possibility for appropriately reacting to current security and political challenges."

He calls for a "European system of mutual security which stretches from Wales to Vladivostock"—independent of NATO. In such a system, "because of its economic strength, its large population and its geographical position, Germany would play a decisive role". He accuses the "elite in the SPD and Greens" of ignoring this responsibility because the prospect would shock other Western European countries.

A peace policy which deserves the name cannot be based on the defense of German or European interests—which are invariably the interests of the German and European big companies—against America. A genuine peace policy must be based on the joint interests of the working people of

Europe and the US, and defend such interests against the international concerns and financial institutions, regardless of whether the latter have their base in Europe or America.

The Lafontaine debate is part of a profound political transformation. Changes, imposed in other countries over a period of years, have been postponed in Germany—above all through the pressures arising from German reunification. Now, from the standpoint of big business, the implementation of these changes is more urgent than ever.

The conflict over Lafontaine embodies the break-up of the SPD as a “Peoples Party” (Volkspartei), under conditions where the basis for its former policies of social equilibrium has been stripped away and big business has imposed a radical change of course. Lafontaine's own conceptions hark back to the past and are stamped by previous decades of social reform politics.

The big interest in his new book—there were 150,000 pre-publication orders and it is already going into its fourth print run—is an expression of the widespread opposition to the ruthless policies and attacks on social gains undertaken by the present government, and the search for a new political orientation. The questions which Lafontaine throws up, however, demand answers different from those which he provides. For this reason we will take up his positions in detail in forthcoming articles.

See Also:
Germany [*WSWS* Full Coverage]