

German media, political parties debate Opel rescue package

Ludwig Weller
24 November 2008

A fierce debate is currently taking place in the media and in all German political parties over whether the weakened automobile industry should receive any support from the government. The discussion has intensified since General Motors' subsidiary Opel demanded €1.8 billion in government support, to prevent its demise should its parent company go bankrupt.

Ironically, many opponents of the auto rescue package supported the €500 billion bailout for the banks rushed through parliament a few weeks ago. Opposing a rescue package for Opel, Peter Ramsauer, the parliamentary chairman of the state group of the Christian Social Union (CSU), warned of the danger of "slipping into a state economy."

He generally questions an aid package worth billions of euros. "We have to consider the ramifications for the remaining automobile industry resulting from a government intervention, and what signals we would be sending to other branches," he told the *Berliner Zeitung*. He stated that he is already receiving letters from corporate interests, demanding the same rights for all branches of business. "We cannot allow a series of exceptional cases that compromise the system as a whole," he said.

Last week, Thomas Steinfeld of the *Süddeutsche Zeitung* wrote an article opposing the government's intervention to save Opel, saying it would hinder the "self-cleansing" mechanism of capitalism. He quoted economist Joseph Schumpeter's saying that, for capitalism, depression is "like a good, cold shower." Steinfeld additionally praised Schumpeter's thesis of capitalism's powers of "creative destruction."

The article continues: "At the base of capitalism is the process of industrial mutation which incessantly revolutionises the economy from within, destroying its

structure and establishing a new one,' Schumpeter wrote while lecturing at Harvard in 1942." Due to such "revolutions," capitalism can continuously introduce refinements, Schumpeter argued.

The cynicism of this thesis must have escaped the author. At the time of Schumpeter's writing, capitalism's "creative destruction" expressed itself in the form of Hitler's rampage across vast areas of Europe and the Nazi government drafted its "Final Solution" of the Jewish question at the Wannsee Conference

The arguments brought up by the supporters of the rescue package, which include broad layers of the CDU (Christian Democrats), SPD (Social Democrats), Greens, trade unions and the Left Party, are by no means better. Their main concern in supporting the rescue package is the "national interest," not the needs of Opel employees. This group of supporters wants to defend the profits of German industry against international competition. To this end, they play off GM's workforce in the US, Germany and other locations one against the other.

Last Thursday, Josef Joffe, the co-editor of the weekly *Die Zeit*, a newspaper close to the SPD, published an incendiary article aimed at the parent company in the US. Under the headline "Bankruptcy would be better," he accuses General Motors of producing "antiquated, sloppily made cars at enormous costs." Joffe is especially outraged over the US workforce's wages, pensions and health insurance. "There's a perfect conspiracy against the customers by the labour union (UAW) and management," claims Joffe, who adds indignantly that GM's shareholders must invest at least US\$50 billion into the health funds for retired workers.

Joffe leaves no doubt about the solution he recommends, and asks "why such a business that destroys assets" should be saved. In the case of bankruptcy, GM and the banks would get rid of wage agreements, rights to pensions and

health insurance contracts and probably be forced to “sell healthy subsidiary firms like Opel” to evade its downfall.

The chorus of those pleading in chauvinist tones and demanding economic nationalism is growing daily. This viewpoint is not limited to well-known German neo-liberals such as Guido Westerwelle, Friedrich Merz and Dieter Hundt. In particular, representatives of the Left Party, the SPD, labour unions and the Greens are demanding policies to defend the German corporate interests.

After a meeting with the works council chairman of the German car industry, Foreign Minister Frank-Walter Steinmeier appeared before the press with IG-Metall Chairman Berthold Huber to declare: “We in Europe are strong, and we will be in competing with other parts of the world if we now agree to a mutual direction.” The German government must do everything possible to defend German business interests, they argued.

The Left Party, whose chairman Oskar Lafontaine supports the rescue package for the banks, has also given Opel management carte blanche as long as German businesses are defended against American ones.

Bodo Ramelow, a member of the Left Party’s executive board, voiced his support for federal states having a share in Opel. “Opel must act quickly now if it doesn’t want to go down with General Motors.” As a prerequisite, he demanded Opel secure its German plants. This would provide Opel the opportunity of an independent future based on shareholdings from the federal states of North Rhine-Westphalia, Hesse, Rhineland-Palatinate and Thuringia, following the example set by Volkswagen.

According to the Left Party, during a crisis of capitalism all political factions must work together to guarantee its survival. While the Left Party faction in the Hesse parliament might not have formulated it so bluntly, this basically describes their point of view. Shortly before its dissolution, the Hesse parliament voted unanimously (including Left Party votes) to make a rescue package of up to €500 million available to Opel. Even the minimal “conditions” formerly demanded by the Left Party were dropped and are not part of the law as passed.

This must be kept in mind. After the failure of the political parties in Hesse to form a government coalition over a period of nine months, Roland Koch’s CDU and the Left Party suddenly have no qualms when it comes to Opel’s demand for a billion euros.

Willi van Ooyen, head of the Left Party’s parliamentary faction, principally supports Koch’s €500 million rescue package, because, he declares, it saves jobs and strengthens Hesse’s economy during the financial crisis. In a statement, Hesse’s Left Party even extols the fact that it left its mark on the rescue package.

As usual, the Greens embroider their business-friendly policies with ecological phraseology. For the Greens’ new chairman, Cem Özdemir, aid for car manufacturers is contingent on the production of environmentally friendly cars: “Should they receive money, it should be only under conditions of environmental preservation.... Otherwise they should not get a single cent.”

According to Özdemir, Opel employees should realise that the company has operated with a false business model for years. In other words, the Greens do not give a damn that ten of thousands of workers will lose their jobs if Opel shuts down.

Opel workers have carried the burden for the Hesse economy and the German auto industry. The works council and the IG Metall union have already made offers of “further wage cuts” and “contributions from workers.” The measures executed by the government will serve as an excuse to implement unprecedented cuts in jobs and wages at Opel and throughout the entire automobile industry.

The workers are not responsible for the crisis in the automobile industry. They do not share any interests with the representatives of big business, who have enriched themselves through the exploitation of the workforce and speculation on the finance markets, and are now intent on using the current crisis as a basis to worsen working conditions.

The automobile industry is a global enterprise. It employs millions of workers who share the same interests and face the same corporate managements. The only way to defend jobs and living standards is for workers to unite together internationally on the basis of a socialist programme.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact