

SPD leader calls for a strong German state

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Following a unanimous decision by the party's national executive, a special conference of the Social Democratic Party (SPD) held last weekend elected Peer Steinbrück with 93 percent of the votes as its leading candidate in the federal election due next year. Steinbrück is the former finance minister of the conservative-SPD grand coalition that governed Germany between 2005 and 2009, introducing massive social cuts while awarding billions to the banks and corporations. The election of this individual, who stands on the far right wing of the SPD, is a clear signal by the party to the ruling class.

The SPD is responding to growing criticism from business associations and conservative media circles, which accuse the current coalition of the Christian Democratic Union (CDU) and the free-market Free Democratic Party (FDP) led by Angela Merkel of "hesitation and procrastination" (*Handelsblatt, Welt, FAZ*). A host of commentaries complain that the "Merkel System" consists of postponing all major policy decisions until the last moment, only then to take emergency measures under the pressure of events and present them as alternatives. This is the manner in which Merkel has reacted to a series of conflicts within her governing coalition.

Business representatives warn that the government increasingly faces a stalemate in its domestic and foreign policies. The notion that the euro crisis could be shifted to the periphery (Greece, Spain and Portugal), and the Germany could lead Europe out of the crisis based on its relatively strong economy, has proved to be false. The European and global recession have had devastating consequences for Germany's export industry and require much more stringent social cuts—not only in the periphery, but in the heart of Europe, in particular in Germany.

The closure of the GM-Opel factory in Bochum is the first shutdown of an entire auto plant in the history of the Federal Republic. Together with massive cost-cutting plans announced by Daimler, ThyssenKrupp, Lufthansa and many other large corporations, German big business is preparing a new round of fierce attacks on the working class.

This is the context for the decision by SPD delegates to elect Peer Steinbrück as the party's leading candidate. The SPD is offering its services to establish a government that much more

consistently represents the interests of corporations and banks than the current Merkel-led coalition.

Steinbrück addressed delegates at the conference with a two-hour speech. He began by attempting to cover his tracks as a well-established ally of big business and the banks. His efforts came after a flood of media reports which revealed that he had given more than 80 speeches to gatherings of banking and corporate representatives during the past three years, pocketing fees worth a million euros in the process. At the SPD conference, however, he warned that the financial and banking crisis meant that many people were "losing their faith in a moderate form of capitalism and confidence in a social market economy."

It should be obvious to everyone, Steinbrück continued, "that profits are being privatized and losses socialized and that taxpayers should be the last people to be made responsible for the mistakes and risky deals based on ignorance made by the banks."

Delegates applauded vigorously when Steinbrück shouted out: "This has to stop," although they were well aware that it was the former SPD-Green government led by Chancellor Gerhard Schröder (SPD) that abolished many regulations for the financial markets. At that time, Steinbrück was in the forefront of those calling for the greatest possible liberalization of the finance sector.

Steinbrück's speechwriters went to great lengths to pack his speech with demagogic promises for social reform. On a number of occasions, the phraseology he employed recalled rhetoric used by leading members of the Left Party such as Oskar Lafontaine and Sahra Wagenknecht.

Steinbrück warned against a "market society ... which subordinates all areas of society to economic calculations." He praised the values of "morals and ethics," which he counterposed to "selfishness and maximizing profits."

Other comments referred to the necessity of establishing the "primacy of politics" over the "primacy of the market." The market had to justify itself in terms of democratic forms of life and work, "and not vice versa", he said. Germany once again needed "more we" and "less egoism". He included a well-known quote from former German chancellor Ludwig Erhard that "economic policy may only be called social when ... in the end it benefits the consumer" and concluded by citing the German constitution, which declares that "Ownership involves responsibilities".

The SPD candidate deplored the fact that a new generation of young people—often possessing excellent qualifications—were hopping from one trainee position to another, lacked any real job prospects and were unable to stand on their own two feet.

Steinbrück also accused the Merkel government of hiding the facts in its latest poverty report, but said nothing about the role of social democratic policies in precipitating such a drastic increase in the spread of poverty.

The Hartz laws passed by the former SPD-Green government (1998-2005) created a vast low-wage sector in Germany. As finance minister in a former Merkel government four years ago, Steinbrück personally introduced the debt brake which compels every government to follow a strict austerity course. It was his party colleague Franz Müntefering who enforced a new retirement age of 67, thereby making an important contribution to the poverty of the elderly which Steinbrück criticised in his speech.

Apart from a few cosmetic changes, Steinbrück as chancellor would do nothing to reverse these measures. His warnings of social division are directed to the country's wealthy upper classes rather than the poor, unemployed and trainees.

This became clear when he declared that the widening social gap was highly dangerous, even for those who are "more likely to live in penthouse apartments". Nobody in the "prosperous upper class who has settled comfortably into their own reality" should remain unmoved by the growing social divide.

He then made his key proposal as to how to respond to the social crisis: "So we need a strong state." He repeated this statement several times and warned that social cohesion was disappearing as welfare services were wound down. This is why, he argued, it was necessary to strengthen the state in other respects.

There should be no illusions about Steinbrück's intent. He is not referring to a return to the type of welfare state that existed in the 1950s and '60s. His speech was rather a clear signal that a future government under his leadership would not only continue the social attacks embodied in the Agenda policy of Gerhard Schröder, but that he would also restrict democratic rights and encourage authoritarian structures.

The call for a strong state is also aimed at the Greens, which Steinbrück expressly declared to be the favoured partner of the SPD in a future coalition government. The Greens are the German party with the largest percentage of German state officials and functionaries in its ranks.

Steinbrück's agenda was confirmed by his call: "I am proud to be a German Social Democrat!" His role model in this respect is not August Bebel, one of the founders of the SPD, nor even Willy

Brandt, who in 1969 sought to integrate rebellious youth into the German capitalist system with a mixture of educational reforms and legal prohibitions. Steinbrück's favoured political mentor is Otto Wels.

Wels was elected as a trade union representative into the SPD leadership in 1912 and from the outset belonged to the right wing of the party. He supported the First World War and was city commander in Berlin when the November Revolution broke out in 1918. In December of that year, it was Wels who gave the order for troops to fire on demonstrating Spartacists; 16 died as a result.

One year later, Wels was appointed SPD chairman and up until 1933 played a key role in demobilising party members from conducting any serious struggle against Hitler and his Nazi thugs. Under the leadership of Otto Wels, the SPD relied on the capitalist state to stop the Nazis. In the presidential election in 1932 he called for a vote for Paul von Hindenburg, the man who a few months later appointed Hitler chancellor.

As chairman of the SPD, Wels then gave a speech in the Reichstag in March 1933 opposing the Enabling Act of the Nazis—a deed which Steinbrück praised with the words "What a political legacy!" In reality, after years of loyal service to the ruling class, Wels had simply refused to sign a death sentence for his own party.

This is the SPD tradition which Steinbrück values so highly.



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