## The German chancellor's Christmas message

## **21 December 2012**

In a few days, the German chancellor will give her traditional holiday speech to the nation, posed together with a Christmas tree and the German flag. In her annual address, Angela Merkel, the daughter of a pastor from the east German state of Mecklenburg, invariably invokes the virtues of harmony, peace and charity.

This year, however, Merkel relayed her real message in an interview with the *Financial Times*, titled "Merkel warns on cost of welfare". In the interview published last weekend, Merkel makes it clear that she regards European welfare programs as unsustainable.

Faced with growing international competition, Europe "must work very hard to maintain its prosperity and way of life," said Merkel. "All of us have to stop spending more than we earn each year."

To give some idea of the magnitude of the cutbacks she is seeking, Merkel cited the following figures: "Europe today accounts for just over 7 percent of the world's population, produces around 25 percent of global GDP, and has to finance 50 per cent of global social spending."

Merkel's appeal, made in the style of a thrifty housewife, is thoroughly cynical. It is made by a chancellor who, in the course of her tenure, has made over 700 billion euros available for the so-called bailout of German banks—in fact securing the profits of an obscenely wealthy mob of financial speculators and profiteers.

The former CEO of Deutsche Bank, Josef Ackermann, celebrated his 60th birthday in the chancellery with Merkel as hostess, precisely at a time, as it now emerges, when he was resorting to criminal methods to advance the bank's prospects. The financial crisis has been used to accelerate the enrichment of the rich at the expense of the public. According to government figures, private net assets in Germany increased by 1.4 trillion euros between 2007 and 2012, i.e., during the crisis years. While the government pumped vast amounts of money into the vaults of the

banks, it created a huge pool of people at the bottom of society condemned to poverty, misery and despair reminiscent of the 1930s.

In Greece, Merkel has demonstrated the consequences of such attacks on the welfare state. Five austerity programs dictated by the EU, but worked out largely in the chancellor's office, have plunged the country into ruin. Unemployment has soared, wages and pensions have been slashed, and the country's health and education systems destroyed. Now fascist gangs and far-right political parties are being encouraged to suppress growing popular resistance. What is currently taking place in Greece is a monstrous political crime.

In her FT interview, the German chancellor makes clear that Greek shock therapy should be extended to Spain, Portugal and Italy, as well as countries with a balanced budget. Amongst these latter countries Merkel is referring to France and Germany. The world has long since ceased to view the European welfare state as a model, she declared, but is oriented to "other models". The new standard for international competitiveness, she notes, are China and India.

With this declaration of intent to impose Chinese standards in Europe, Merkel is throwing down the gauntlet to the working class. Her plan is to drastically cut wages and abrogate social rights, including existing job protection legislation, sick pay, pensions and health insurance.

In her campaign against the European welfare state, Merkel acknowledges that she is consciously drawing upon her experience in reintroducing capitalist exploitation following the collapse of the Stalinist regime in East Germany. This former Stalinist youth functionary, who never paid a cent for her entire education in the GDR, regards the destruction of the East German social system as a milestone in the attainment of international competitiveness.

Now, the social catastrophe in Eastern Europe—which

has in turn led to the emergence of fascist parties in Hungary and Poland exercising influence on government policy—is to be extended to Western Europe.

It is no coincidence that both the head of the German government as well as its federal president are former citizens of the GDR, who were politicised during the reactionary period of the two decades since the reintroduction of capitalism. While Merkel was attacking the welfare state in the *FT*, President Joachim Gauck flew to Afghanistan to participate in a Christmas party for German soldiers and propagate the necessity to support the army.

The reason why the German chancellor feels free to openly and aggressively attack the welfare state is obvious. She has the backing of all of the parties in parliament and the trade unions. The Left Party is no exception in this regard. It played the key role in reintroducing capitalism in the GDR. The party regarded the capitalist reunification of Germany as "absolutely necessary" and something to be "undertaken with determination," in the words of the then-Prime Minister and later honorary chairman of the Left Party, Hans Modrow.

Wherever the Left Party has political influence, it is in the forefront of implementing welfare cuts and austerity measures. At the same time it seeks to head off protests and restrict workers' struggles to writing petitions to the government.

During a recent session of the Bundestag, called to discuss the decommissioning of the GM-Opel plant in Bochum, the main appeal of the Left party was directed at Merkel, "Madam Chancellor, make Opel your main concern!" This is not merely a declaration of political bankruptcy, but also an attempt to prevent and suppress a political struggle by the working class against the government.

Merkel's Christmas message in the *Financial Times* amounts to a declaration of war on the welfare state and initiates a period of fierce class struggle. Workers must prepare their own strategy for the social and political conflicts ahead. This requires above all the construction of a revolutionary party that fights relentlessly against the reactionary policies of the established parties, including the Left Party, and mobilizes the working class on the basis of an international socialist program.

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