

# The SPD in Germany competes for the legacy of conservative Finance Minister Schäuble

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On Monday the German Social Democratic Party (SPD) presented its tax plan for the national Bundestag (parliamentary) election in September. The plan picks up from and continues the ruthless austerity policies introduced by the current finance minister, Wolfgang Schäuble (Christian Democratic Union—CDU).

The SPD sticks to Schäuble's "black zero," i.e., a balanced or positive budget, and rejects any tax on wealth, despite the fact that income for the super-rich in Germany is exploding through the roof.

It takes all the cynicism and political impudence of the SPD to portray this concept as a contribution to "social justice." SPD chairman and its leading candidate, Martin Schulz, justified this claim with a few minor changes in taxes and duties, which together amount to just 15 billion euros (\$US16.7 billion).

The income tax rate for mid-level incomes is to be somewhat lower than before. The top tax rate of 42 percent will first apply to individuals earning a yearly income of 60,000 euros, instead of the previous figure of 54,000 euros. The tax rate then rises to 45 percent for incomes over 76,200 euros per year. An additional 3 percent is then to be levied on yearly incomes of 250,000 euros and over.

German tax law already provides many opportunities for tax depreciation and other loopholes, plus income from investment is subject to a flat rate tax of 25 percent. This means that the SPD's proposals will have barely any consequences for the wealthy.

Schulz introduced his tax proposals at the SPD headquarters (Willy-Brandt-Haus) in Berlin flanked by two parliamentary deputies, the mayor of Hamburg, Olaf Scholz, and the head of the SPD in the state of Hesse, Thorsten Schäfer-Gümbel. They were there to embody the right-wing (Scholz) and the left-wing (Schäfer-Gümbel) of the party and thus demonstrate

party unity. In fact, what they made clear is that there is no left wing in the SPD.

Agenda 2010, introduced by the last Social Democratic chancellor, Gerhard Schröder, set in motion the largest social decline since the establishment of the German federal republic and this policy has been continued ever since. As a junior coalition partner of the CDU, the SPD occupied the post of Labour Ministry and in the course of the past two decades—with one five-year interruption—has, among other measures, increased the retirement age to 67 years.

The consequences of these policies have been catastrophic. A small layer has been able to accumulate riches, while 16 percent of the inhabitants of Germany live under the poverty line. Some 40 percent of all employees work in insecure jobs. The SPD's tax plan proves that nothing has changed with regard to this policy, despite various declarations to the opposite.

The media understands this very well. The *Handelsblatt* certifies that Schulz had "reacted quite rationally." And the *Süddeutsche Zeitung* comments: "All in all, the SPD tax proposal reads like a job application for the top seat in the Federal Ministry of Finance."

The time when workers could achieve improved living conditions and greater social justice through the ballot box is long past. The Left Party, which occasionally spouts social demagoguery, is also striving for a ministerial chair at the SPD's cabinet table. Where it occupies power at a state and regional level, the Left Party implements savings and cuts as ruthlessly as all the other parties.

The Socialist Equality Party (SEP) is the only party to put forward a socialist program in the Bundestag elections. It states bluntly that poverty, oppression and war can only be overcome by overcoming their root

cause, the capitalist system. It has no interests in ministerial posts in a SPD or Left Party government, but rather fights for the establishment of an international movement of the working class to expropriate the major banks and large fortunes and reorganise society on a socialist basis.



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