

# With Finance Minister's Ukraine visit, Germany escalates war with Russia and austerity at home

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With the visit of German Finance Minister, Social Democrat (SPD) leader and Vice Chancellor Lars Klingbeil to Kiev earlier this week, the German government has finally moved to the forefront of the imperialist war offensive in Eastern Europe. Klingbeil promised President Volodymyr Zelensky annual military aid of at least €9 billion and reaffirmed Germany's willingness to provide "security guarantees" for Ukraine.

These commitments follow directly on from the Ukraine summit in Alaska, where US President Donald Trump made it clear that Washington will concentrate its forces on the conflict with China and that the European powers should bear the brunt of the war against Russia. Berlin is determined to take on this role—not in the interests of "peace and security," as Klingbeil claims, but to enforce its own imperialist interests.

In the talks in Kiev, Klingbeil deliberately remained vague about what the "security guarantees" actually mean. He spoke of "different possibilities" and a "really strong, defensible Ukrainian army" that must be enabled in the long term to "defend itself and deter." He also announced that Ukraine would massively expand its arms production with German financing, technology, and expertise.

He avoided a clear rejection of the deployment of German ground troops. This leaves the option open to the German government of entering the war itself and mobilising German troops directly against Russia for the first time since the end of World War II. Ukrainian President Zelensky explicitly called for the deployment of foreign troops over the weekend to secure a possible future ceasefire. German Chancellor Friedrich Merz (Christian Democrats, CDU) already indicated that Berlin was considering this request.

Parallel to his visit, Klingbeil is preparing the adoption of a war budget. He envisions a tripling of military spending within the next few years. By 2029, the defence budget is set to rise from €52 billion to €153 billion. Together with other items for "war-ready infrastructure," around 27 percent of the federal budget will then flow directly into militarism.

The rearmament is being financed by massive new borrowing: Klingbeil is already taking out €143 billion in new loans this year, and by 2029 this figure is expected to rise to €185 billion annually. In total, the new debt will amount to €850 billion. This is only possible thanks to the amendment to the Basic Law passed in

March, which exempts defence spending from the debt brake and allows the government to take on an additional €1 trillion in debt.

While unlimited funds are available for weapons, the debt brake remains in place for all other areas. This means massive social spending cuts. The federal government is already cutting the Citizen's Benefit welfare payment, freezing spending on education and health, and planning further cuts to pensions and municipal services. Merz said over the weekend, "The welfare state as we know it today is no longer financially viable." He said he would not be "irritated by words like social spending cuts and slashing and whatever else comes along." This is unambiguous: even the last remaining social concessions of the past are to be destroyed.

The rearmament and austerity measures have a clear goal: to build up the Bundeswehr (German Armed Forces) into "Europe's strongest conventional army," as Merz announced in his first government statement as chancellor. He spoke of a "turning point" in which Germany must assume "lasting responsibility." Defense Minister Boris Pistorius (SPD) repeats like a mantra that Germany must become "fit for war."

The scale of this is comparable only to the rearmament on the eve of the First and Second World Wars. In the next decade, military spending is even set to rise to 5 percent of gross domestic product—€225 billion annually. The Bundeswehr is to be expanded from its current 181,000 soldiers to at least 260,000, for which the introduction of a new military service is already being prepared. Pistorius, who is presenting the bill to the cabinet for this on Wednesday, has already emphasised several times that "voluntary service" is only the first step and that compulsory service is inevitable in the medium term.

With the permanent stationing of a brigade in Lithuania, the Bundeswehr is once again deploying a fully equipped combat unit on Russia's border—the first permanent foreign deployment of German troops since 1945. Eighty-four years after the start of Hitler's war of extermination against the Soviet Union, which brought death to some 30 million Soviet citizens and led to the Holocaust, German tanks are once again rolling eastward.

All the facts underscore that Germany and Europe are transitioning to a war economy. A recent analysis by the *Financial Times* based on satellite data shows that the arms industry has expanded its capacity three times faster than in peacetime since

2022. Over seven million square metres of new halls, factories and infrastructure have been built.

Rheinmetall, Germany's largest arms manufacturer, plans to increase its production of artillery shells from 70,000 (2022) to 1.1 million per year by 2027. In Hungary, a huge armaments park for Leopard 2 ammunition and explosives is being built. In Germany, the MBDA factory in Schröbenhausen is being expanded to mass-produce Patriot missiles and Enforcer systems in the future.

At the same time, civilian industry is being integrated into war production: VW, Bosch, Continental, Thyssenkrupp and other corporations are providing factories, personnel and materials. This repeats, under changed historical conditions, the transition to a total war economy in the 1930s.

Another development in this context is Germany's direct involvement in the Ukrainian arms industry. At the end of May, Merz and Zelensky signed an agreement in Berlin under which Germany will finance the establishment of Ukrainian drone and missile production. Specifically, 500 "Ljutyy" attack drones with ranges of up to 2,000 kilometres are to be procured, among other things.

In addition to Rheinmetall, which is already repairing tanks in Ukraine and building an ammunition factory, startups such as Quantum-Systems and Helsing are also present on site. Quantum-Systems produces reconnaissance drones in Kiev and is expanding with a second factory. Helsing is supplying thousands of HX-2 combat drones equipped with artificial intelligence that is said to be resistant to electronic jamming.

Ukraine serves as a testing ground for German weapons technology. "Only those who are on the ground can adapt to the constant changes. Our findings from Ukraine flow directly into our product development," explained Sven Kruck of Quantum-Systems. In other words, the war is being used to test new, lethal technologies under real conditions and make them marketable.

Domestically, this course requires, as in the 1930s, the complete suppression of the working class and the establishment of a dictatorship. In order to finance the gigantic military apparatus, the federal government is not only organising massive cuts, but also establishing an authoritarian police state to suppress growing resistance among the population.

Under the notoriously right-wing Christian Social Union (CSU) Interior Minister Alexander Dobrindt, the federal government is working to massively expand the police and secret services and is inciting hatred against refugees in the manner of the far-right Alternative for Germany (AfD). Any opposition to war and militarism is defamed, above all the widespread resistance to the genocide in Gaza, which politicians and the media denigrate as "anti-Semitism." The establishment of new military service structures aims to force young people into the army against their will and thus recruit the necessary cannon fodder for German imperialism's new war offensive.

All the established parties—the CDU/CSU, SPD, Greens, Free Democrats, AfD, and even the Left Party—essentially support this course. The formerly pacifist Greens are even criticising the Merz government's war policy from the right. The Left Party also voted in the Bundesrat (Federal Council) for the €1 trillion rearmament program and subsequently helped Merz become chancellor.

The German government's war offensive in the East seamlessly continues the historical thrust of German imperialism. Already in World War I, the creation of a Ukrainian vassal state dominated by Berlin was a war aim; in World War II, the subjugation of Ukraine was one of the central components of the war of annihilation against the Soviet Union. Today, the issue is once again control of resource-rich Ukraine, access to Russian resources, and the enforcement of German hegemony over the Eurasian landmass.

At the same time, the US is preparing its offensive against China. Trump is working on a possible Ukraine deal with Russia over the heads of the European powers, while at the same time demanding that they take on more responsibility in Ukraine. Germany and the other European powers fear the developing foreign policy rift with the US. At the same time, Berlin in particular is responding to the collapse of the postwar order by once again asserting itself as the dominant military power on the continent.

The insane course toward a Third World War is not a "defence of democracy," but an expression of the insoluble contradictions of capitalism: between the global economy and the nation-state, and between social production and private appropriation.

But the same contradictions that produce war also create the objective basis for a socialist revolution. Resistance is growing worldwide: In the US, over 15 million people demonstrated against Trump on June 14—the largest protests in the country's history. In Europe, the Middle East and around the world, massive resistance to war, militarism and social attacks is also developing.

The decisive task is to arm this opposition with a conscious socialist perspective. The working class can only stop the ruling class's drive toward world war and fascism by intervening in political events independently of all bourgeois parties, smashing NATO and the EU war machine, and bringing the gigantic resources of the economy under its democratic control.

This requires the building of the Sozialistische Gleichheitspartei (Socialist Equality Party, SGP) in Germany and the International Committee of the Fourth International (ICFI) worldwide as the new revolutionary leadership of the international working class. Only in this way can the catastrophe of a new world war be prevented and a socialist future won.



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