

Report from Bonn by Rainer Apel

No recovery, but a new policy voice

The unemployment statistics show anything but a recovery, while a national newspaper ad has told Germans why.

During a recent parliamentary debate on the 1986 budget, Chancellor Helmut Kohl announced: "The turnaround of unemployment is clearly here." But the official figures of the national employment office here, published on Dec. 4, tell a different story.

Between Nov. 1 and Dec. 1, the jobless rate rose from 8.6% to 8.9% and now stands at 2.23 million. The centers of heavy industrial production show an even steeper decline in industrial employment, and the construction sector shows no improvement, either.

The government always points to the increase of foreign orders in the machine-building branch, to prove there is an economic recovery. And there has been some, since the American machine-building sector has collapsed, so the high-quality West German products sell well, despite higher prices.

But that's all.

Sales to the traditionally big Ibero-American markets have taken a drastic downturn over the past few months. As Peru's visiting Sen. Jossell Muñoz said at a meeting of the "Patriots for Germany" organization on Nov. 9, Peru would like to buy German machines, but the servicing of old debts leaves no money to spend.

German industrial exporters have urged the government in Bonn to resume the Hermes service, a special credit fund for exports to countries such as Peru. The ministries of finance and economics, however, representing strongholds of monetarist doctrine in Bonn, have turned down this proposal by declaring Peru and other countries

"bad debtors." German exporters are quite upset about this stubborn foolishness.

Farmers are also beginning to feel the effects of European Commission production quotas and the lower input of seeds in the spring of 1985. Agricultural income is very low this year, and there is an increasing trend of farmers giving up production and registering at the unemployment offices. But the government sticks with the European quota system, and so do the farm organizations. And more and more farmers state their intention to vote against Chancellor Kohl's Christian Democrats in the coming state and national elections.

The general policy of the government, to treat steel, mining, shipbuilding, textiles, and construction as "sunset industries" which should no longer receive state subsidies, has put industrial workers into confrontation with Bonn. The government, following the British example, intends to impose restrictions on strike laws; according to this scheme, all workers affected by a strike in any way and forced into short work, will no longer receive pay as long as the strike lasts. This obviously plays right into the hands of the labor-union radicals, while doing nothing to improve the economy. It helps the oppositional Social Democrats, who control two-thirds of the country's organized labor movement, to build a broad front for a transfer of power by no later than the January 1987 national elections.

A growing portion of the Christian Democratic labor movement is beginning to turn its back on Chancellor

Kohl as well. "The economic depression goes to vote, too," is a famous saying in Germany.

Finally, the controversy over whether Germany should or should not join the U.S. Strategic Defense Initiative has paralyzed the government coalition and prevented West German industries from entering secured contracts with Lt.-Gen. James Abrahamson's SDIO, upsetting the high-technology branches most interested in the SDI project. But Kohl has given in to his Free Democratic coalition partners, and, as of now, the government will do no more than find a cabinet consensus "in principle" to negotiate with the Americans on some form of agreement.

When one asks representatives of these industries for an evaluation of the situation in Bonn, one gets strongly worded comments which cannot be printed in a family magazine.

Thus, Chancellor Kohl is at odds with almost all sectors of the country's economy.

One notable consequence is that a great number of farmers, engineers, and middle-sized entrepreneurs signed the second national newspaper ad of the non-partisan "Patriots for Germany." The first ad, signed by numerous prominent figures, appeared in October, and denounced those who would appease Moscow and "decouple" strategically from the United States. It attracting large support among Christian Democrats.

The second ad, which denounces monetarism and IMF austerity worldwide, linking these to Third World inability to take German exports, appeared in various large circulation newspapers on Dec. 4—the same day the national unemployment statistics came out.

The impact remains to be seen—but the situation is ripe for such a voice.