

WEST GERMAN EXPORT DECLINE FUELS POLITICAL CRISIS

WIESBADEN, West Germany, Jan. 4 (IPS)--West German industrialists and their major political mouthpiece, the Christian Democratic Union, are contemplating in panic an export trade collapse, an imminent production collapse, and the sudden financial collapse which will necessarily follow them both. They are gasping in desperation at the governing Social Democratic/Free Democratic coalition's fantastic claim that the crisis doesn't really exist and that the paltry emergency job program for 1975, announced by the government last month, will soon bring an economic upswing.

The severity of the situation was dramatized last week by the publication of plummeting export trade figures in the fourth quarter of this year for machine tools, chemicals, and steel. The industrialists know all too well that 25 per cent of all West German production lives off exports, and that throughout 1974 only a grab-bag boom in exports of specialized steel and chemical products kept the entire economy afloat. Now this boom is over.

Rumblings have been going around West German capitalist circles that what is needed is a revaluation of the D-mark, the national currency. This would support a tentative maneuver which some of these industrialists have picked up: scooping up commodities from low-wage countries and dumping them at a profit, while forcing domestic layoffs, in a desperate effort to maintain cash accounts. Last week this fancy form of barter was endorsed by a government advisory board, mystically titled the Five Wise Men. The Five Wise Men recommended that the revaluation be firmed up by holding wage increases to 6 per cent in upcoming steel, chemical, and public service negotiations. After inflation is accounted for, this would actually mean a 10 per cent wage reduction. The steel barons of the Rhein and Ruhr regions have already welcomed the 6 per cent guideline, while the head of the Chemical Workers' Union, Trilateral Commission member Karl Hauenschild, has told his union that 1975 will be a year of zero-growth wages.

Austerity in Any Case

Meanwhile the Christian Democrats, the largest opposition party in the parliament, are demanding that the coalition of the Social Democrats (SPD) and the Free Democrats (FDP) immediately implement the new austerity. Gerhard Stoltenberg, chairman of the CDU in Schleswig-Holstein, has extended the plan for wage theft to include an attack on the jobs of public service workers. For the next two years, according to Stoltenberg, the state and federal governments must refuse to hire any new workers.

The governing SPD/FDP coalition has responded in total disarray to the CDU/industrialists' efforts to find some detour off the path to economic disintegration. Social Democratic Chancellor Helmut Schmidt greeted 1975 on national television with a lengthy

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account of the virtues and strengths of the West German economy. Early this week, the national newspapers mockingly quoted him as saying, "We will shortly be over the hill."

Every Man for Himself

Ignoring Schmidt's Pollyanna routine, federal Interior Minister and FDPer Hans Maihofer supported Stoltenberg's demand, telling the press that if the Public Service Union were to win its skimpy 10 per cent wage demand, there would be layoffs of public employees. But the sedate chairman of the Federal Bank, Karl Klasen, in the midst of considering how to finance the government's 50 billion D-mark budgetary deficit, has announced in the financial journals, "There will be [an economic] upswing in the summer of 1975."

The industrialists' pessimism about their ability to force government implementation of a focused austerity policy is intensifying the political confrontation around the six upcoming state elections. Up until this week the FDP, a tiny party backed by a marginal group of "liberal" industrialists and professionals, was attempting to maneuver an experimental state-level coalition with the CDU, hoping to dump the blame for economic chaos into the lap of the working-class based SPD. But the CDU is too worried about its own collective neck to be concerned about the fate of the FDP.

Mourning the possibility of open conflict between the CDU and the government on social and economic policy, SPDer Heinz Kuehn, an elderly spokesman for compromise and social order, summed up the inevitable effects, "Circumstances could emerge in West Germany such as presently exist in Italy."

JAPANESE INVENTORY SALE MAY SWAMP WORLD TRADE

Jan. 4 (IPS)--Japan is threatening to launch a gigantic going-out-of-business sale which could precipitate a complete deflationary collapse of the already disintegrating world economy--something Japan's Trilateral masters want very much to avoid.

Recent world trade statistics indicate the Japanese are already dumping steel on the U.S. market. Last summer, when Japan unloaded 200,000 tons of copper, copper prices were cut in half, billions of dollars invested in copper development projects were wiped out, and the profitability of the entire Chilean economy, heavily dependent on copper exports, was destroyed.

The consequences of the similar actions on an even larger scale which the Japanese are now contemplating would obviously be devastating. It is just this "beggar your neighbor" trade policy which totally wrecked world trade and destroyed capitalist