

It is said in Germany that both Western and Soviet intelligence conduits poured money into left-wing SPD circles to help get out the Green vote. This, naturally, was to the disadvantage of the SPD, but its chairman, Willy Brandt, did not seem to mind. Brandt is a product of the U.S. East Coast establishment (he was created by the State Department's Eleanor Dulles), which has an interest in bringing the Greens into the parliament to help whip up a mobilization against the stationing of U.S. missiles by the end of 1983. The parliamentary fraction of the Green Party will serve as a transmission belt for the extraparliamentary mass mobilization against the missiles and NATO, and will help to paralyze the government in Bonn, while furthering the partial U.S. disengagement from Europe.

Newly elected Green deputies announced on television on election night that they will raise hell in the country, and that they consider the Bundestag a tribune favorable to their goal of making the country ungovernable in order to prevent the stationing of the missiles on German soil (see box). This "ungovernability" is a policy also favored by the SPD leadership, especially by its defense policy spokesman, Egon Bahr of the Palme Commission on disarmament, who announced in a public debate Feb. 8 that "we will unleash a wave or resistance in the streets which will make the stationing of rearmament weapons impossible."

Given such impending blood in the streets, the best outcome would be a breakup of the new governing coalition, and new elections. New elections would enable the European Labor Party to expand its campaign for the New World Economic Order, which is not difficult to recognize as the only hope for export-oriented German industry.

The industrial slump starts to accelerate

by George Gregory in Bonn

EIR asked a leading director of the Dresdner Bank in Frankfurt on March 4 whether he could explain why even Dr. Helmut Schlesinger, known for years as the "best economist the German Bundesbank has ever had," was propagandizing about a "German economic upswing." "That is an easy question," replied the Dresdner Bank director. "That is what he is paid for."

Later, *EIR* talked to the chief economist of the German Bundesbank itself, Dr. Dudler. We asked Dr. Dudler whether it was still true that the Bundesbank thought that a world economic recovery and, therefore, also a German recovery, depended on a recovery of the U.S. economy. Dr. Dudler said, "Of course, and we are convinced that there are unmistakable signs of a U.S. recovery."

In September 1981, *EIR* published the following evalu-

ation: "The German economy will be lucky indeed to reach zero-growth in 1982, and real growth is more likely to be minus 1 to minus 1.5 percent—because by mid-year Germany's export markets will collapse under the effects of International Monetary Fund (IMF) policies." In fact, it is now officially acknowledged that West Germany registered negative 1.2 percent growth in 1982; however, in November 1982, the West German Bundesbank was still writing in its official bulletin that "the recent fall-off of exports has come as a totally unexpected development."

The reality now

After the number of jobless increased by between 150,000 and 200,000 per month over the past five months, West German *official* unemployment statistics for the month of February claimed an increase from January to February 1983 of only 48,800—to a total of 2.536 million unemployed, or 10.4 percent of the now-registered work force. This is taken, especially by Labor Minister Norbert Blüm, as the surest sign of the "recovery."

This recovery is a hoax, at numerous levels.

- Before U.S. Federal Reserve Chairman Paul Volcker's "controlled disintegration" interest-rate regime hit West Germany, the "dependent work force" totaled 22.95 million people. Now, this total is between 22.2 and 22.0 million. By simple calculation, at least 750,000 people have disappeared from the work force. At present, without other statistical frauds taken into account, there are 3.28 million unemployed in West Germany. In June 1982, *EIR* said that West German unemployment would be at or over the 3 million mark at the very latest by the end of the first quarter of the year. (In German, that's what is known as *Volltreffer*, a bull's-eye.)

- Official unemployment statistics do not include employed persons who work less than a full 40-hour week; persons on "short-work" are counted separately. However, even aside from the drastic increase in short-work over recent months, independent studies by the I.W. Institute associated with the Federation of German Industry have shown that the average hours worked per week is actually 30.1 hours. Thus, 25 percent of those still formally employed are "under-employed." Add 25 percent of a total work force of 22 million (or 5.5 million persons) to official "unemployment," and one begins to paint a picture of a West German work force so demolished that it is hardly in a better condition than the American. (So much for trade unions' demands to "cure unemployment" with shorter work time by instituting the 35 hour week.)

- Other forms of "hidden unemployment" have not even been included in this calculation.

- If the planned destruction of the German steel work force is not reversed through a New World Economic Order, at least 78,000 of over 100,000 now on short-work may be considered de facto laid off, *EIR* has calculated. The same holds for the 40,000-person work force in the northern shipyards, as well as for a high proportion of the 120,000 skilled

machinery workers now on short-work. Large numbers of layoffs and greatly increased short-work have been withheld from the official registers. (In West Germany, companies must pre-announce layoffs or short-work.) But the crisis even extends to short-term bailouts of firms that are ready to close their doors at a moment's notice. In Ludwigshafen, for example, one of the few quasi-industrial cities in Chancellor Helmut Kohl's home state of Rhineland-Pfalz, the state government has agreed to subsidize electricity supply to the Alcan aluminum smelting plant because Alcan announced that, although its order books still look good, it can no longer afford the costs of drawing electricity from non-nuclear power plants. Shutting down a 5,000-worker plant would not "look good" for Kohl.

For the purpose of the elections, the bankruptcy of the Klöckner Steel Company has been forestalled. The only question for the Ruhr under the International Monetary Fund's world monetary dictatorship is death with a "bang" or in a "hospice" through death-with-dignity financial cartelization. Steel companies are still losing 100 DM per ton of steel produced, and will lose more when the German auto sector (which is 58 percent export dependent) finds out that the collapse of exports that began in October 1982 is continuing. Steel foundries are now facing production cutbacks due to the 1981 to 1982 collapse of orders for construction steel (minus 22.8 percent), steel structures (minus 31.1 percent), machinery (minus 8.2 percent), and vehicles—which have just begun to collapse (minus 5.9 percent)—for a total contraction of minus 12 percent.

One of the chief problems here is that steel foundries, like aluminum smelters, cannot afford electricity produced by means other than nuclear power plants. The only factors allowing a brief pause before the dam breaks are the current CDU government policy of subsidizing interest rates on housing by 2.5 percent and the fact that firms rushed at the end of 1982 to collect the grants on investments initiated by the Schmidt government.

Since the German construction sector has collapsed by more than 55 percent since 1974, a little activity here will not do any harm, but hardly any good for the economy as a whole. The Bonn government and the German Bundesbank are praying like Indian medicine men that Third World debt does not blow up in their faces. That is why the German government has adopted the incredible policy of only providing additional export-credit insurance to Third World countries that have totally submitted to the IMF—the best guarantee that immense losses like those of the Hermes credit insurance company will expand. The drop of the price of oil might indeed save West Germany 7 billion DM, but at this time the benefit is like that of the "Hoover moratorium" of 1930—the rate of bankruptcies in West Germany is still increasing. In 1982 West Germany had 15,877 bankruptcies (*EIR* had expected 16,000). These bankruptcies alone represented a loss of 160,000 to 200,000 jobs, according to the official calculations of the Bundesbank.

France casts ballots against zero growth

by Dana Sloan

After casting his own vote in the first round of the nationwide municipal elections March 6, French President François Mitterrand told reporters that he would go back to the Elysée Palace and watch the election results come in "with interest, but without apprehension." However, it was widely expected that Mitterrand's Socialist Party and its coalition partners would suffer some heavy losses in the elections to elect the mayors of French cities. When the results came in, the combined pro-government parties had polled only 39.74 percent of the vote, compared with nearly 52 percent when they constituted the opposition in 1977, the last time such elections were held.

If President Mitterrand had nothing to worry about from the standpoint of his immediate survival in office, the implications of the vote should have given him reason to reflect on his policies and advisers. The constitution of the Fifth Republic was written by Charles de Gaulle precisely in order to guard against a system, as exemplified by the Fourth Republic, in which the President was a mere figurehead, carrying out the whims and designs of the political parties and their controllers. During the summer months of 1982, Mitterrand, a politician of the Fourth Republic, after being in office nearly a year began to grow into the shoes of the Fifth Republic, and took the first steps in the direction of cleaning out the mess of utopians, zero-growthers, and "post-industrial" fanatics who were running the show in his party and government. The municipal elections have given Mitterrand a clear and urgent mandate to make further moves in that direction.

The results of the first round of the elections, which will be confirmed by the second round of runoffs March 13, were not so much a defeat for the entire Socialist Party, as they were a defeat for the clique of Malthusians that has been given control over economic policy.

The environmentalist candidates (who have just made it into the West German Bundestag) and the extreme-right National Front were kept under the 1-percent mark on the national average. But in areas of extreme economic hardship, they made significant breakthroughs, notably in new urban centers like Besançon, where the greens got 9 percent, and in one Paris district where the National Front's Jean-Marie Le Pen came in third with over 11 percent. Le Pen's campaign