

The German election campaign heats up, as the Russian crisis worsens

by Rainer Apel

Sept. 3 was an important day, in German politics: Because of the Russian crisis, some among the elite stopped babbling on about the usual, petty election campaign issues like “taxes here” and “no taxes there.” And, it also was the day when the first campaign broadcast by the LaRouche movement’s party in Germany, the Civil Rights Movement Solidarity (BüSo), was aired on Germany’s second national television channel, on prime time. Therefore, on that day, the German population received a massive dose of reality, less than four weeks before the Sept. 27 elections for national parliament.

For newspaper readers, the day began with some startling comments. For example, on the front page of the weekly *Die Zeit*, former Chancellor Helmut Schmidt, under the promising headline “Global Madness,” wrote that “not Russia, but the hot money of speculators could trigger a worldwide economic crisis.” Russia itself is not the trigger to such a global collapse, but the “technically globalized financial markets,” in particular the “short-term flows of hot money with all their speculations and psychoses,” he wrote. “Just as international air traffic obviously needs globally accepted rules and controls, we urgently need rules for international capital flows as well.”

Schmidt identified the “electronic international trade with currencies, stocks, and securities of all kinds, with options, swaps, and thousands of other derivatives,” as a development that has almost entirely gotten out of the control of national banking supervisors and national central banks. It can, “like in Indonesia, Thailand, or Malaysia, uproot entire national economies,” Schmidt said, adding that the problem of financial derivatives has resulted from the abandonment of fixed exchange rates in 1971-72, i.e., the old Bretton Woods system. It is high time for re-regulation, Schmidt wrote, proposing that “nations, threatened by speculation, have to be encouraged to protect themselves against short-term capital inflows from abroad.” More than technical banking measures, what the world urgently needs now, is an international economic summit to deal with this situation, Schmidt said. “Because for 6 billion people in the world, the functioning of the global economy is far more important than excessive freedom of a few ten thousand greedy dealers and managers to play around on short-term financial markets.”

In another article in *Die Zeit*, Theo Sommer, one of its

chief editors, noted that the crisis of the world financial system has so far been entirely neglected by the established political parties in the election campaign: “So far, the parties have not said anything concrete about these central themes of German foreign policy, not even the Chancellor.” However, the one party that does say something, the BüSo, was not mentioned by Sommer.

The re-regulation debate comes home

The European edition of the Sept. 3 *Wall Street Journal* ran an article more oriented toward reality than usual, headlined “Fixed-Rate Talk Hits Race in Germany.” The *Journal* reported on Social Democratic Party chairman Oskar Lafontaine’s interview with the weekly *Die Woche*, also published that morning, in which he said: “It is necessary to set trading bands within which the most important global currencies can fluctuate against each other: the dollar, the yen, and the euro.”

Although Lafontaine made clear that he is sticking with the monetarist recommendations of Paul Volcker’s so-called “Bretton Woods Commission,” and that he neither intends to curb markets, nor take firm measures, such as taxation, against speculation, his statement was itself too much for the *Journal*’s editors. “The German left’s proposal for a new currency trading system is the latest in a growing number of such pleas from international observers who feel that more control over financial markets could have helped to prevent the crises now roiling Russia and Asia,” the *Journal* wrote. “Mr. Lafontaine isn’t alone in his views in Germany.” Like *Die Zeit*, the *Journal* didn’t mention the LaRouche movement and its campaign for a New Bretton Woods system.

The BüSo party and its chairwoman, Helga Zepp-LaRouche, were covered, however, in the Rhine-Main section of the Sept. 3 *Frankfurter Allgemeine Zeitung*. That daily informed its readers that the BüSo campaign posters warning of a financial collapse had been spotted by its editors facing the entrance of the Frankfurt stock exchange. Quoting from the BüSo campaign platform, the daily wrote that Zepp-LaRouche is warning that “there will be a chain reaction-like collapse,” that the party is calling for an “orderly bankruptcy procedure” for the world financial and currency system, and that it wants a return to a gold-backed financial system and

stable exchange rates. "In the framework of a *New Bretton Woods system*," the daily reported, "national banks in the tradition of Alexander Hamilton and Friedrich List shall be established, the party program says."

However, this rather interesting portrait of the LaRouche movement's campaign was accompanied with the false epithet, "right wing." Here, the daily revealed once again, that it is a mouthpiece of monetarism, of the Frankfurt banking elite, and of the neo-liberal establishment. Whoever runs up against that constellation, is instantly profiled as a "bad person"; in Germany, the establishment usually calls them "a right-wing radical."

Recall that the establishment originally had planned to keep all the hot issues out of the election campaign, but the world economic reality had knocked so loudly, that it had become impossible to deny that something was going on "out there," outside the virtual reality of the campaign spin-docs. Some in the establishment decided that it was not possible to remain silent, and that some of the hot issues should be addressed, although in such a way as to create the false impression that the world financial crisis could be gotten under control within a modified version of the existing system. This motive, to claim that the sinking *Titanic* is not sinking, that it may be only listing a bit, is also behind Lafontaine's remarks.

Zepp-LaRouche speaks to German voters

But the reality has become too obvious to be denied. Many German voters, who for weeks before the *Frankfurter Allgemeine Zeitung* article appeared had seen BüSo campaign posters, know that none of the other political parties has shown the courage to address these hot issues. The re-regulation debate that has "hit the German race," as the *Wall Street Journal* put it, has been ignited by the campaign of the LaRouche movement in Germany. There is no other organization that ignited anything.

Therefore, when the first BüSo campaign spot was aired on Germany's second national TV channel shortly after the 10 p.m. news on Sept. 3, millions of Germans were reminded of who had told them months ago about the global meltdown crisis—in daily street organizing and leafletting campaigns outside the established media structures. "What I have been warning of, is now here: The international financial system is cracking," BüSo lead candidate Helga Zepp-LaRouche said in the address. "There is only one way out: a new, just world economic order, which makes peace and prosperity a reality for all peoples on our planet. We have to cooperate with China, India, and Russia, and integrate the Eurasian continent through the development of the Eurasian Land-Bridge." As a computer animation of Land-Bridge infrastructure projects was shown in the background, Zepp-LaRouche told her audience, "We in Germany can produce those machines and industries, which those nations urgently need for their development. . . . If you want 8 million new jobs in Germany, and the

overcoming of the world financial and economic crisis, then vote for me and the Civil Rights Movement Solidarity."

In other times, television campaign spots were two and a half minutes, but on the eve of this year's election, the media establishment and the political parties got together and decreed that television time is allegedly "too precious" to be "absorbed by the many campaign spots." The truth behind this censorship is that, by law, election campaigns force the media to report political views that they usually do not want to report. If they have to report, they want to at least make sure that they only have to do the absolute minimum.

The Central Bank sees no global crisis

But even the minimum is already too much for certain people in the banking community. A seminar in Frankfurt that occurred only a few hours before the BüSo spot was aired, made that clear. The Frankfurt Club of Economic Journalists hosted Hans Tietmeyer, governor of the Bundesbank (German central bank), on the ongoing financial turbulence. Tietmeyer said: "We have financial problems and crises in a series of countries and there are the effects of contagion here and there that must be taken seriously, but to say we're in a global financial crisis is going too far." With respect to Russia, Tietmeyer conceded that there "could be a case for using temporary capital controls," indeed. But, in general, countries should be cautious in imposing "re-regulation" measures such as trade barriers or capital transfer controls. The most recent stock market drops, Tietmeyer stated, indicate that "a certain healthy correction had been in the air." But, he declared: "I don't see a global depression on the horizon. We must watch out, but I see no signs of this coming. The events in Russia and eastern Europe have to be closely monitored, but at this point, I don't think the Russian crisis will lead to a German banking crisis."

Tietmeyer criticized the debate on the return to a global system of fixed exchange rates, on phony grounds that "the United States Congress would never authorize that." Is it possible that the head of the Bundesbank is not informed about the fact that there is a bill in the U.S. Senate which calls on the President to convene a conference on a new Bretton Woods, if the situation calls for that? It cannot be ruled out that a similar bill will be introduced into the German parliament, maybe not before the elections, but immediately after. The campaign for such emergency legislation for a new global system is already on—this is the campaign of the LaRouche movement in Germany. The worsening depression demands such emergency legislation, and it makes people like Tietmeyer sound ridiculous, out of touch with reality.

The election campaign spot of the BüSo will be aired three more times, on both national channels. And, there are thousands of campaign posters throughout Germany, which will ensure that the solution to the global depression are addressed in the remaining weeks before Election Day, irrespective of what the Lafontaines and Tietmeyers say.