

and do not affect Taiwan proper.

As of this writing, two different legislative delegations are visiting mainland China to discuss the possibilities for opening up the three direct links with Taiwan proper. According to Chang Jung-kung, director general of the KMT Department of Mainland Research, who accompanied the Taiwan legislators during their meetings, Beijing's position on the proposed "three direct links" is, that all two-way exchanges should occur under the "one China" principle, and that Beijing considers the "three direct links" initiative a "domestic affair," which could be implemented on a "special case" basis. This view was echoed on Jan. 7 by Wu Jung-kuei, director of the Ministry of Transportation and Communication (for Taiwan), who said that full cross-strait shipping exchanges would be restricted and insignificant, if the "one China" issue were not tackled.

Because of the rapidly deteriorating financial and economic situation in Taiwan, the business community has put increasing pressure on Chen Shui-bian to ease the restrictions imposed by former President Lee Teng-hui regarding investment in China, and the government has declared that new, more flexible guidelines will be issued before the Chinese New Year, Jan. 24. Also, from the beginning of this year, Taiwan has allowed journalists from China to open their first-ever bureau. A reporter and an editor from China's state-owned Xinhua news bureau opened their office in late December in Taipei. Their restrictions, however, are severe, and have met protests from Beijing. The office must be staffed with rotating journalists, who can stay in Taiwan for only a month at a time. If the journalists wish to leave Taipei, they first have to get permission from the government. The journalists are allowed to participate in press conferences, but when it comes to individual interviews, they must apply one month before a planned date.

There are plans for easing the restrictions for mainland Chinese visiting Taiwan, and plans are being worked out to allow academic degrees obtained in mainland China to be valid in Taiwan. Taiwan is also seeing an increased number of high-level delegations from mainland China. However, in light of the combination of the unravelling international financial and economic crisis, the policies of the current Chen Shui-bian government, the expected policies from the new Bush government, and the recent major, Cold-War-style propaganda from the United States, the situation across the Taiwan Strait has the potential for becoming a strategic flash-point.

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Germany

New Year Begins with Government Crisis

by Rainer Apel

The government of Chancellor Gerhard Schröder is sailing into very troubled waters, after the first two Cabinet ministers cracked under mounting public pressure: On Jan. 9, the Minister of Public Health, Andrea Fischer, and of Agriculture, Karl-Heinz Funke, announced their resignations, which had been expected for several weeks.

The growing public hysteria over the spread of "Mad Cow" disease, an hysteria fanned especially by Fischer's own Green party fellow-members, tilted the balance against her. During the past few months, she had come under increasing public attacks for her disastrous "health reform" project, which is modelled on health maintenance organizations in the United States. There has not passed a single day in recent weeks, without at least one protest action by medical personnel in one or several German cities, against Fischer. She has been the most hated minister in the Cabinet, and her mishandling of the sensitive "Mad Cow" issue, with a mixture of arrogance, populism, and suppression of compromising facts on the conduct of her ministry on this matter, made it impossible for her to stay. She had been expected to resign already before the Christmas recess, but Chancellor Schröder, in an unconvincing effort to pretend that the Cabinet stands firm, issued statements of support, keeping her in for another three weeks. But with the end of the recess, she had to quit, as did the Minister of Agriculture, who was charged with the same mishandling as she was.

More Ministers Are in Trouble

An additional catalyst for these two resignations has been that several other Cabinet ministers have made bad news headlines, provoking calls for their dismissal: Labor Minister Walter Riester, because of his pension fund privatization plan; Finance Minister Hans Eichel, because of revelations about private use of government aircraft; Defense Minister Rudolf Scharping, because of proposed budget cuts in the Armed Forces, and, most recently, charges about depleted-uranium ammunition having been used in the Balkans; and, finally, Foreign Minister (and also Vice Chancellor) Joschka Fischer, whose role as a violence-promoting anarchist in the Frankfurt underground of the late 1960s and early 1970s is now being exposed.

The case of Joschka Fischer poses the most serious threat to the Chancellor, because Fischer, having risen to the post

of Vice Chancellor, is the essential trump card of the Green party, in domestic affairs as well as internationally, because he has strong backing in policymaking circles around outgoing U.S. Secretary of State Madeleine Albright. In an interview with the German weekly *Die Zeit*, Albright said on June 8, 2000: "I am interested in Joschka Fischer intellectually. . . . Also among foreign ministers, friendships can develop. . . . He is an extremely fascinating personality." Already months before Fischer became Foreign Minister in October 1998, Albright and her circles sent out signals that they would welcome his rise to that post. One may say, as many in Germany do these days, that with Albright leaving office, Fischer's time is also up, and someone gave him and Schröder a message with the revelations, that the time to leave is now.

Deals With Russia

There are, however, other aspects that come into the picture, which go beyond the international repercussions that every change of U.S. Administration brings. The timing of the Fischer revelations is also interesting from another perspective: The crisis hits Schröder at a point at which he is about to negotiate crucial, long-term physical-economic deals with Russia. Especially the idea of replacing the discredited monetarist scheme of "debt for equity" with a productive-industry-oriented new project of "debt for new investments," which Schröder and Russian President Vladimir Putin okayed during their "predominantly private" weekend in Russia on Jan. 6-7, has drawn fierce opposition from among leading monetarist circles in Germany and the West. Exemplary was a venomous statement against the project issued in mid-December by Otto Graf Lambsdorff, a leading Mont Pelerinite and chairman of the European section of the Trilateral Commission. Lambsdorff said that the project is dangerous, because it undermines the Russian free market "reforms."

The project, as discussed by Schröder and Putin, would initially involve about \$3 billion of Russia's \$35 billion of debt to Germany, in two or three select investment projects in Russia. The debt would be turned into real investments of German industrial firms, in the construction of new plants in the three preferential sectors of machine-building, light industry, and food production. The Russian contribution would be to provide the real estate for these plants free of charge, and the infrastructure (power, water, roads, railroads,



German Vice Chancellor and Foreign Minister Joschka Fischer (left) and Chancellor Gerhard Schröder. Germany may have a new government by Spring.

and the like) at a fee acceptable to the Germans. Therefore, unlike the old debt-for-equity scheme that has promoted the looting of Russia during the past ten years, the new Schröder-Putin scheme would promote real investments in crucial sectors.

So, while Schröder was in the process of preparing for this important weekend with Putin, on Jan. 4, two days before his departure, the left-wing/liberal weekly *Stern* appeared with a big story on Joschka Fischer's old days as a street-fighter in Frankfurt. The report is accompanied by several photographs of masked men—Fischer and four of his friends—as they assault a policeman, force him to the ground, and kick him while he is lying there; the arrival of other policemen chases the assailants away, saving the policeman on the ground from a worse fate. The photographs were first published the day after that incident, on April 8, 1973—but for more than 27 years, the broader public, except for a few insiders, did not know that one of the masked men in those pictures was Fischer.

The *Stern* report was the kick-off for a much broader media campaign, as other news dailies printed more details on those street-fighting days. When Schröder returned from Moscow on the evening of Jan. 7, the weekly *Der Spiegel* sent to print its Jan. 8 issue, with a 16-page cover-story on Fischer. Thus, within a few days, the mood in Germany changed dramatically, as the escalating crisis of confidence no longer affected a few Cabinet ministers, but now implicated the Vice Chancellor and Foreign Minister himself, affecting the innermost core of this coalition government.

Enemies Among the Greens

Chancellor Schröder's immediate response to the revelations in *Spiegel* was to reaffirm his full support for Fischer,

but that statement is not worth much in this kind of situation: Many people are already counting the days until Fischer's departure. The decisive impulse to drop him may even come from within the Green party itself, which, for the sake of its own survival, may suddenly call on him to resign. The Greens have lost 40% or more of their vote in every election since October 1998, and already before the Fischer scandal broke, they were on the verge of being kicked out of the state legislatures in Rhineland-Palatinate and Baden-Württemberg, where elections are scheduled for March 25. The last thing the Greens need is negative headlines on Joschka Fischer.

One also has to keep in mind that Joschka Fischer has many enemies among the Greens themselves. In fact, a great deal of the revelations that are making life difficult these days for Fischer, have come from members of the former Frankfurt underground, from people who have fallen out with him and see a chance for settling old scores. Two books published last year by two former co-fighters of Fischer's, Christian Schmid and Jutta Ditfurth, already caused great damage to his reputation, because of the sensitive details they contained on his street-fighting days in Frankfurt.

The Green party still includes an influential anti-militarist current, which originated with the anti-Vietnam War movement of the 1960s, and for these Greenies, the fact that Fischer okayed the NATO air-war against Serbia in 1999, was a big

provocation that has to be revenged. The news headlines coming in these days on the use of depleted-uranium ammunition Serbia, revive that inner-Green Party outrage at Fischer and add to his troubles. Therefore, even if Schröder tries to keep Fischer in office, the Green party, the minor coalition partner, may soon demand his dismissal, posing the Chancellor with the choice of either sacrificing his Vice Chancellor, or holding onto him and witnessing his own fall, as the government's popularity drops through the floor.

All of this is occurring as Schröder, with his diplomacy with Russia, has just begun to define some genuine interests of the industrial nation Germany, as opposed to the interests of Federal Reserve Board Chairman Alan Greenspan and his Wall Street and London friends, who don't want investments in Russia, but rather, demand unabated capital infusions from Germany and the rest of Europe to keep the bubble afloat. The timing of the latest escalation in the German government crisis indicates that some geopolitical monetarist circles that are responsible for the rise of George "Dubya" Bush to the White House, want to teach Germany a lesson, and tighten the leash around the necks of the German elite. And one of the strings pulled, has the name, "Joschka Fischer." How Schröder will get out of this, if at all, remains to be seen. Germany may have a new government before Spring.

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by Marsha Freeman

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