

Will Germany Depend On Anglo-Dutch Coal Cartel?

by Rainer Apel

Whenever German Chancellor Angela Merkel says—as she did in an interview with the *Times* of London on Jan. 10—that she “likes the British,” one is well-advised to suspect that there is more behind that statement than mere diplomatic courtesy. Merkel’s economic-financial policy is in the financial policy tradition of Anglo-Dutch monetarist interests. For example, her vehement defense, at a reception in Frankfurt a few days after that interview, of the “freedom” of hedge funds to act: She assured the funds there would be no “state orgy of regulation.” Merkel’s defense of the euro currency policy of the European Central Bank and her defense of the Maastricht budget-cutting mechanism, are other examples. She is also following the Anglo-Dutch oligarchy’s line on energy policy: Former U.S. Ambassador to Germany, now head of Lazard Frères’ banking operation in Germany, John C. Kornblum, said earlier that Germany’s energy dependency on Russian supplies of oil and gas should, and could, be reduced step by

step, through establishing alternatives to Russia. And that is exactly what Merkel is doing.

The most sensible alternative to oil and gas from Russia would be expansion of nuclear power in Germany, but Merkel is not making any serious effort to call for a return to nuclear power, which would have to start with a debate about the construction of new, modern nuclear power plants, after a 20-year hiatus. It would have to start with a serious attempt to at least modify the nuclear exit policy which industry and government (the previous, red-green government of Chancellor Gerhard Schröder) signed in 2000.

There was a chance to exit from this anti-nuclear strategy, when the Christian Democrats (CDU) and Social Democrats (SPD) negotiated the Grand Coalition government they formed in late November 2005, but Merkel’s CDU traded off the nuclear issue, against its own insane plan to cut the health and social budgets. To make this cut, they needed the SPD’s approval. The SPD approved, because the CDU agreed not to change the nuclear exit policy.

This shows once again, how close the convergence of interests between free traders and greenies is: Bankers in the Anglo-Dutch tradition have been the best allies of the radical ecologists. And the bankers and investment funds convinced the German power industry that importing cheap energy from abroad, especially from Eastern Europe, would easily compensate for the loss of nuclear power inside Germany. Importing oil and gas from Russia, has contributed to this policy of compensation. But for the bankers and funds, this has been only stage one of the reorientation in German energy policies. Stage two is making Germany dependent on energy resources that are non-Russian, and the decision taken on Jan. 29 by the Merkel government on the future of the nation’s coal-mining sector, points precisely in this direction.

Collapse of German Coal Industry

The German coal-mining sector, down now to 33,000 jobs and an annual output of 22 million tons of coal, shall be phased out by 2018, and another 70,000 jobs in the industrial sector which supplies the mining sector, will be eliminated. The argument of the Merkel government is that producing coal in Germany at costs competitive to coal produced elsewhere in the world, would require 30 billion euros in state support over the coming ten years. What is omitted here, is the fact that coal prices have seen drastic ups and downs in recent years, because of massive speculative activities on the markets. For example, coke, which is crucial for the steel industry, shot up from \$70 per ton in 2002, to 400 and even 500 in 2004. Price fluctuations for standard anthracite coal have not been so excessive, but why should



Thomas Robbin

Chancellor Angela Merkel is not advocating building nuclear power plants, and has adopted a free-trade policy that will phase out German coal mining by 2018. Shown here is the historic Zollverein Coal Mine Industrial Complex in the city of Essen. The mine is now closed.

anybody expect greedy speculators to be so reasonable, as to keep coal prices “low”?

The main coal producers in the world are Australia, South Africa, and Canada, and their coal fields are, predominantly, in the hands of British-controlled entities. Already today, half of Germany’s coal needs are supplied by these countries, and from 2018 on, most of its coal will be supplied by them, if the German government has its way.

And, not coming as a surprise, the big private banks are backing this orientation towards the British Commonwealth, as Germany’s future in coal. In a report compiled by the London office of Deutsche Bank on Jan. 19, it is plainly stated that “if Germany were to extend the lifetime of its nuclear power plants to 60 years” (which is what the Merkel government may do, actually, instead of building new power plants) “and put a windfall tax on all nuclear-generated output, then it could help finance a first generation of clean-coal plants that would make Germany a global leader in CCS (gasification/liquefaction) technology.”

That, the Deutsche Bank report claimed, would contribute a lot to the protection of the global climate, by lowering emissions from “dirty” coal of the kind that is usually burned today. The CCS process would work, however, only with low-price coal from outside Germany, and it makes perfect sense that Deutsche Bank, which would not invest a single euro in the nuclear sector, would provide ample capital to the development of a giant import-coal sector in Germany.

This goes together with another pet project of the banks and funds: bio-fuels. Brazil is being widely advocated by interested circles in Germany, as a future leading supplier of cheap ethanol, as is Mexico. Mexican President Felipe Calderón met with Merkel in Berlin, the last week in January.

There Is an Alternative

However, there is still strong resistance against the Merkel policy, even in Merkel’s own party, the CDU, especially by those in North Rhine-Westphalia, the state with most of Germany’s coal mining. The real alternative, as many there recall, to “dirty” and “expensive” coal which is producing high emissions because it is just burned off, is the jump into a new technological era, namely towards processing of coal in HTRs, high-temperature gas-cooled nuclear reactors. The pro-nuclear current inside the CDU does, however, have the problem that its own party chairwoman, Chancellor Merkel, has gone insane on energy issues.

By contrast, the LaRouche movement in Germany and its BuëSo party, are the only political force calling with no “ifs, ands, or buts,” for the HTR and a return to nuclear technology. Its powerful election campaign in North Rhine-Westphalia from January to May 2005, in which the LaRouche Youth played a leading role, is still remembered among voters of that state. For the next round of energy policy struggles in Germany, that is solid ground to build on.