

## Report from Bonn by Rainer Apel

### New approaches to the debt question

*The crash is forcing bankers and industry managers in the Federal Republic of Germany to mull over the LaRouche option.*

As in most other Western countries, bankers and industrial management in Germany have been quite reluctant about discussing LaRouche's proposals for a new world economic and credit system. At best, they would concede his views "interesting, but not feasible."

This was the situation back in April 1975, when Lyndon H. LaRouche presented in Bonn his plan for an International Development Bank, to replace the debt-collecting, paper-values system of the International Monetary Fund (IMF) with an institution designed to issue credits only for the production of real goods. The press conference LaRouche gave at the famed Tulpenfeld Hotel in Bonn then, was packed with 40 journalists, experts, and diplomats.

Discussion on the LaRouche project continued behind the scenes, rather than in public. By no later than spring 1977, the chairman of Dresdner Bank, Jürgen Ponto, surfaced as a spokesman for new views on world economics and the debt question that came very close to LaRouche's ideas. Apparently, the threat to the "system" posed by the chairman of the third-largest bank in Germany was a very grave one, as Ponto was shot dead by a squad of terrorists only weeks later.

Ponto was one of only a few "dissidents" among the German elite, then. When Hanns-Martin Schleyer, the chairman of the German Industry Association and a co-thinker of Ponto's, was killed by terrorists soon after as well, this tendency died out.

While only a few among the Ger-

man establishment could be mobilized by LaRouche's views then, the situation is quite different 10 years later. Approximately since January 1987, a new tendency of "dissidents" has emerged in Germany. Clandestinely, the various writings of LaRouche since 1977 have been studied by many, and thought over again.

A first surprise came in May 1987, when Alfred Herrhausen, the influential co-chairman of Deutsche Bank, Germany's largest private banking operation, circulated the idea that the Third World debt bomb should be defused by rescheduling and even debt relief, to make way for a real economic recovery of the developing sector. Herrhausen proposed a special development fund, to reinvest debt repayments into the Third World. Although something of a "mixed bag," the proposal did reflect deeper concern about the stability of the world monetary and banking system.

It was also Herrhausen who launched the next big surprise, when he gave a press conference in Washington, D.C., on Sept. 29, just hours before the annual IMF conference began. He criticized, if cautiously, the IMF's and creditors' debt collection practices toward Third World debtor nations. He proposed a "generous rescheduling of debt" and even "debt relief," plus a system to make new credit available for mobilizing the productive potentials of the debtor nations.

A mere continuation of old policies would, warned Herrhausen, pose a very grave threat to the world monetary and banking system in the near

future. Causing heavy waves, his remarks were promptly "corrected" by several prominent spokesmen of German banks attending the same IMF meeting. The panicked response to Herrhausen's "individual views" indicated that he was not at all alone.

The Oct. 19 "Black Monday" crash of the stock markets proved that LaRouche's earlier predictions, but also Herrhausen's warnings, had been correct. More bankers and industry representatives in Germany began to call, if vaguely, for a new policy "after the crash."

The first bankers' panic was just beginning to settle down, giving way to a barely-veiled pessimism about the future, when the next big surprise came. Addressing the influential American Council on Germany in New York Nov. 16, leading industrial manager Edzard Reuter (the chairman of Germany's Daimler-Benz Corporation) took the "old believers" of the IMF regime head-on.

He accused the governments in Tokyo, Bonn, and Washington of "worshipping old dogmas like pagan gods," and of a "gross world economic leadership incompetence that has now become a live political danger." He warned that "a new world economic recession would unfold its real explosiveness in the context of the East-West conflict, threatening also the consistency of the Atlantic defense alliance."

Then, Reuter stated his "explicit support" for the same debt-relief scheme voiced three weeks before by Alfred Herrhausen, and called for a crisis management that would end the "currency manipulation" for the sake of "growth-promoting policies."

What next? Having thus crossed the "Jordan" from the IMF regime, the dissidents around Herrhausen and Reuter are welcome in the camp of the LaRouche economics.