

Report from Bonn by Rainer Apel

The virtual reality of Bonn politics

The established parties are claiming there is an economic upswing amid rising unemployment.

Looking at the programs of the established political parties, one can't escape the impression that in this "super election year," with 19 campaigns, the politicians are about to turn the country into one big theme park—the dominant theme being "virtual reality."

Especially in economics, the gap between reality and political statements couldn't be bigger. On June 6, Chancellor Helmut Kohl, at the cornerstone-laying ceremony for the new micro-chip plant of Siemens Corp. in Dresden, said that the "unmistaken signs of the economic upswing" were only unrecognizable by those who fixate on the increasing jobless figures. The chancellor expects Germans to simply accept that this "upswing" is one without the creation of new jobs.

The few thousand new jobs created by such largely automated new plants are somewhat symbolic, however, if at the same time several thousand jobs in the traditional industries are sacrificed, and if the nation spends about DM 90-100 billion (\$60 billion) a year for jobless benefits. To use the money instead to create 7 million jobs in industry, is viewed as "politically incorrect" by the political establishment.

Economics Minister Günter Rexrodt has pioneered the idea that the "new upswing" is one without a substantial impact on employment, and as allegedly one without any alternative. In propagandizing the virtual reality of economic life, Rexrodt is outdoing all the rest of the politicians. For example, the day after Kohl's Dresden event, Rexrodt announced a

second "economic miracle" before the OECD council in Paris.

While he spoke, two major new corporate defaults, which created turbulence on the Frankfurt stock exchange, were reported in Germany: Rumors that the Munich-based real estate giant Doblinger was in deep trouble because of DM 1.7 billion in unsecured debt, sent the assets of the two "house banks" of the firm, Commerzbank and BayernHypo Bank, down by several percent; and the arrest that same day of the entire board of directors of Balsam, on charges of credit fraud of up to DM 2 billion, gave Deutsche Bank, the nation's largest financial institution, more bad press.

Balsam, more than the other big defaults in recent weeks such as Metallgesellschaft and the Schneider Group, each of which involved unsecured sums of several billion Deutschmarks, is indicative of the "virtual reality" phenomenon. In this case, one is entering the world of the "living dead," since Balsam has been bankrupt for almost two years and kept "alive" only with fraudulently borrowed monies invested in derivatives and other risky, highly speculative operations.

The government itself is heavily engaged in this "living dead" business, since it claims that 1995 will be the year for "turning the tide" that will make the budget "less in deficit." Yet, DM 450 billion of accumulated "old East German debt" will be added next year to the already exorbitant public sector debt of DM 2 trillion, and thus 20% of the budget will be absorbed just for debt service.

The fact that the government is spouting such propaganda reflects its confidence that voters may not believe it, but also won't believe there is any alternative. Much of the propaganda involves attacks on those who say that they have a solution to the economic problems, in an effort to inoculate voters against studying alternatives to government policies.

An example is the fact that in recent weeks, almost every senior politician has denounced the idea that there is a "cure-all prescription" for the economic crisis, while at the same time admitting that they don't have one. This is like saying that whereas everybody walks around naked, anybody walking around with his pants on simply must be a ghost, something outside "reality."

The only political force that has the slogan "We have the cure-all prescription," and campaigns for policies to end the depression, is the LaRouche movement and its campaign organization, Civil Rights Movement Solidarity.

Previous establishment efforts to contain the LaRouche movement's political impact, by keeping it under a media blackout, will not function well in a situation where politicians call attention to the "cure-all prescription" slogan which belongs to that political movement alone, a fact widely recognized by voters. This irony undermines ongoing efforts by the establishment to keep the facade of the miraculous "upswing" intact, creating the conditions for important constituencies to support the LaRouche movement's program.

The established parties are faced with waning credibility. Given their moral degeneracy, they can be expected to re-arrange their virtual reality themes—which just underlines the importance of the work being done by LaRouche's associates. Nobody else will tell the voters the truth.