

Report from Bonn by Rainer Apel

Russian crisis sends wake-up call

The illusion that Germany could remain untouched by the global financial crisis, has been blown apart by events in Russia.

Particularly because of the ongoing election campaign for national parliament, German politicians are following their usual tendency not to address hot issues. They have been assisted by a huge chorus of bankers, experts, and media people, who have held onto the myth that "Asia is far away; the crisis there won't do us any harm." It is no secret that Asian flight capital streamed into Germany, a presumed "safe haven," over the past few months, which made people forget that the crisis is still deepening in Asia, and expanding westward.

The latest alarming news from Russia, the fall of the Kiriyenko government and the difficulty of the Russian elites in forming a new one, has been a rude wake-up call for the Germans. All of a sudden, Russia has become a campaign issue for the elections on Sept. 27.

Chancellor Helmut Kohl and his cabinet first tried playing down the Russian crisis, stating their support for Prime Minister-designate Viktor Chernomyrdin, President Boris Yeltsin, and the "Russian reforms." But even in Kohl's own Christian Democratic Union (CDU), some are uneasy about the crisis in Moscow.

For example, Friedhelm Ost, Kohl's former government spokesman and now chairman of the economic policy committee of the Parliament, in an interview with Germany's national DLR radio station on Aug. 24 (the day after Kiriyenko was fired by Yeltsin), said that Chernomyrdin is a bad choice for Russia. How can the man that drove the country into ruin during his first five-year term, be ex-

pected to do better now? Ost asked. How can anyone in the West have confidence in this man, not to mention the Russians, who are suffering from his policies?

Ost's remarks were widely interpreted as an indication of dissent among leading members of the CDU. Not entirely dissociating himself from Kohl's views, however, Ost did call on Russia to hold onto the "reforms."

Politicians in Bonn have disregarded realistic assessments on the Russian situation for years, not only by Lyndon LaRouche and his friends in Russia, but also from one of their own semi-official think-tanks, the Cologne-based Federal Institute of Scientific Eastern Studies, the Ostinstitut. There, analysts have realized that Russia has "moved way beyond reforms," and has entered a chaos which will necessitate re-regulation. The Russian government and banking system have survived mostly because of fresh capital inflows into short-term funds like the GKO's, Ostinstitut analysts have emphasized. And, they had warned that this flow would soon come to an abrupt end.

This is happening now, but the policy establishment is still not listening. The idea that Yeltsin may be out of office in a few days or weeks, that there may be early elections for both the Russian Parliament and President, is seen as very realistic among Ostinstitut analysts. Not so in the cabinet circle around Kohl: They have no policy for a time when a Yeltsin may no longer be there, when Kohl calls the Kremlin. And, of course, Kohl himself may not be reelected.

Some among the opposition Social Democrats, who have been asleep at the switch as much as the Kohl government on the Asian and Russian crises, have at last begun to stir. For example, Günter Verheugen, foreign policy spokesman of the party, said in an interview with the *Frankfurter Rundschau* daily on Aug. 28, that both the International Monetary Fund bailout money for Moscow and the billions that the German state export credit insurance has guaranteed for Russia, are taxpayers' money, in reality, and that all of that money is apparently lost.

Oskar Lafontaine, SPD party chairman, addressed the Russian situation in an interview on Aug. 30 with the Sat-1 television station. Lafontaine criticized the Kohl government for having been "rather generous to Yeltsin," and to Moscow, without caring where the money actually went. "It would have been better to send in German companies to build a road, a railway, or a power station, instead of just transferring money," he said.

Also, former Foreign Minister Hans-Dietrich Genscher, in a guest commentary in the *Tagesspiegel* daily on Aug. 27, called for a new approach on Russia: "The development of an all-European infrastructure, notably in the area of telecommunications, transport, and energy supplies, should be promoted as a joint project for the future. Germany as such can give the bilateral relationship a new perspective, in many areas of technological cooperation with Russia, and not just in space technology projects."

This comes closer to what LaRouche has been calling for, since his "Productive Triangle" proposal of late 1989. The debate on Russia is finally beginning to move to where it should have been years ago. Awakened by the Russian developments, more Germans may now be ready to listen to LaRouche's advice.