

## German Neo-Cons Are Main Losers of the Elections

by Rainer Apel

The bad news from Germany is that the new Chancellor will be Angela Merkel of the Christian Democrats (CDU), and that outgoing Chancellor Gerhard Schröder will not be part of the new Grand Coalition government composed of the CDU and the Social Democrats (SPD). But the good news is that Merkel, who started out as a rabid neo-con in the election campaign, is getting cut down to size, notably by her own CDU party apparatus (see last week's *EIR*). The new government, detailed negotiations on which will begin on Oct. 17, has been made possible only by the sacrifice of nearly all of the radical budget-cutting proposals that Merkel campaigned

with, and Merkel will be elected Chancellor by the newly elected parliament only if she sticks to that sacrifice.

Merkel has a majority of four seats in the parliament over the Social Democrats, but opposition to the neo-con attack on the social protection provided by the state is so strong among Christian Democrats that this majority is not secure for her. And a lot of work still has to be done, to make sure that Merkel also has a sufficient number of votes from the SPD when, sometime in late November, she goes into the parliamentary vote for the chancellorship. When the coalition talks began, almost two-thirds of the SPD was still opposed to a Chancellor Merkel. She may have to make even more concessions, to be assured of the 308 votes she needs to become Chancellor.

The fact that she is in this unpleasant situation of having to make substantial concessions in order to become Chancellor, is one of the positive results of this early election in Germany—a result which has a lot to do with the forceful campaign by the LaRouche movement against Merkel's neo-con agenda. The campaign did a lot to remoralize the resistance to Merkel in her own CDU, which at the beginning of the election campaign in July was almost silenced. Now, after Merkel's failure to get a majority on Election Day, the resistance is pushing back the neo-cons inside the CDU.

Indicative of this new fighting spirit was a statement on Oct. 10, by the



EIRNS/Mike Carr

*The BÜSO campaign greatly influenced the debate in the election, forcing candidate Angela Merkel to finally withdraw her proposed neo-con Finance Minister at the last minute. Here, BÜSO organizers singing in Dresden.*

CDU's labor commission, the CDA, which denounced a call by the neo-con-controlled commission of the party which is supposed to represent the *Mittelstand*—small and medium-sized industry—for tax cuts for entrepreneurs. This call shows that “some people still have not understood what the message of the election was: namely, that there is not a majority for such proposals in this country,” the CDA said. Furthermore, only three members of Merkel's nine-member “competence team,” which she used as a kind of neo-con shadow cabinet during the election campaign, are left; the other six have deserted her.

The difficulties of Merkel and her political current do not solve the main and acute problems of Germany, though. The Social Democrats have not yet come up with a meaningful program that offers a strategy to regain full employment, to revitalize investments in the productive industry, and to rebuild a sound tax revenue base for the state which can help to overcome the giant budgetary bottlenecks. Both the Social Democrats and the anti-neo-con grouping within the Christian Democrats are going to depend on the programmatic input made by the LaRouche movement. The environment is now more favorable for that input to occur, since Merkel has been turned effectively into a lame duck.

The LaRouche Youth Movement (LYM) launched a week of action in Berlin on Oct. 10, to give that programmatic input into the German capital, during the week before the Grand Coalition negotiations were to begin formally, and before the newly elected parliament would be inaugurated and hold its first session. The LYM told politicians, notably those that have been elected to the new parliament, what the priority issues in economic and financial policies are. Offices of parliamentarians are receiving LaRouche movement material, and are being reminded that the new parliament and government will not be able to continue business as usual, to just pick up legislative work where the outgoing parliament left it standing, at the time of the Sept. 18 election.

Germany urgently needs legislation to promote a program of conjunctural and labor market incentives, of great projects in infrastructure and industrial development. The Stability Law of June 1967 is still on the books; it was passed by the first Grand Coalition 38 years ago, at the height of the big recession then—a recession that appears mild in retrospect, given the problems of today, with ten times as many unemployed. The Stability Law of 1967 gave the government special powers to enact credit generation for productive, job-creating investments in the range of an extra 5 billion deutschemarks per fiscal year, which at that time was a lot of money. Today, with inflation taken into account, Germany needs a program at least 20 times that size, to have any positive effect. Even that would be insufficient, because like in the United States, many branches of productive industry with high-paying skilled jobs no longer exist; they have to be rebuilt from scratch—at the latest state of technology, that is. Germany has not built any new nuclear power plant in 25

years, and it urgently needs a source of abundant energy at calculable and affordable prices, protected from speculators of the kind that are driving the oil prices up at present.

Germany must become a leading initiator for a New Bretton Woods agreement internationally, and to achieve that, politicians have to establish channels of direct contact to the LaRouche Democrats in the United States, who are campaigning for a changed U.S. approach on the issue of a new global financial and economic architecture. The LYM's week of action in Berlin, which had its complement in a parallel week of action in Washington, D.C., told German politicians that. And, with the Merkel neo-cons visibly weakened in Germany now, more people will have open ears to the LaRouche proposals.