

Promising Signs in Germany of New, Pro-Industrial Optimism

by Rainer Apel

After decades of languishing under the Green ideology that says that growth, science, and technology are all “bad,” Germany is showing signs of a resurgence of pro-industrial optimism. This is essential to rebuild a nation that has been hard-hit with unemployment, and where the hedge funds—known as “financial locusts”—are trying to gobble up what remains of industry. Whether this optimism will be realized, however, is a hot political question: It depends on Germany’s adopting the program being put forward by the LaRouche movement, whose party is the Civil Rights Movement Solidarity (BüSo).

The BüSo is running 20 candidates in the municipal elections in Berlin, in September. Helga Zepp-LaRouche, the party’s chairwoman, emphasized in a statement in early April, that the capital city’s future prospects are through Eurasian integration, building modern infrastructure all along the Eurasian Land-Bridge. “Berlin will play a fundamental role in scientific exchange, and will be the primary crossroads for East-West and North/South transport of goods and people throughout Eurasia,” she said (see her full statement in *EIR*, April 21).

Germany is slowly (too slowly) recovering from the radical ecologism of, especially, the seven years of Red-Green government of Social Democrats and Greens that ended with early elections in September 2005. The vast majority of Germans hope that the current Grand Coalition of Christian Democrats and Social Democrats will revitalize the depressed national economy, rebuild industries, promote nuclear power and pioneer technologies like maglev transport, and create millions of jobs to regain full employment.

The new optimism was evident in the speech that Norbert Lammert (Christian Democratic Union), the Speaker of the national parliament, gave at the opening session of this year’s Banking Congress in Berlin on April 24. Lammert said that “shareholder value” definitely is not a translation of “common good,” adding that banks can be a more dangerous enemy than armies. Not bad, for a member of a party which, until very recently, was under the heavy influence of radical economic neo-cons.

Then on April 23, Edward Krubasik, president of the national association of the electrotechnical industry, spoke on the sidelines of the annual international industrial fair in Hanover. “Our chances lie in innovation, and not in low

wages,” Krubasik said. “Jobs, growth and property develop only via the development of new technologies, in Germany and in Europe.” In Europe, there is an urgent need for modernization of infrastructure, in the range of several hundred billion euros, he added, stressing maglev train systems and power supply.

At the Hanover fair, Germany is presenting a new variant of the maglev train, the super-low-conductor SupraTrans for use in urban transport—a technology developed in Dresden, which is prominently endorsed in the BüSo’s program for the Berlin elections—the only political party to do so in Germany, to date.

German-Indian Prospects for Cooperation

The Hanover fair was opened on April 23 by German Chancellor Angela Merkel and Indian Prime Minister Manmohan Singh, with more than 300 firms presenting their wares. India, this year’s featured guest nation, sent the largest industrial delegation ever from a foreign country. Singh introduced a strong dose of industrial optimism, describing his government’s plans for projects of national infrastructure (electrification, transport, water supply) and industry development. He said there exists in India the potential to absorb \$150 billion in foreign investments. Germany is being sought by India as a preferential partner for machine-building, port and airport development, automotive and machine-building, laser technologies, medical systems, and nuclear power technology.

Merkel and Singh signed an agreement for the creation of an Indian-German Energy Forum, where experts from both sides will discuss joint energy development projects. The nuclear power aspect was treated more cautiously by the German side, however, because Merkel’s coalition partner, the Social Democratic Party (SPD), still holds on to the anti-nuclear belief structure which is to blame for national legislation requiring the phase-out of nuclear power, and the construction of no new nuclear plants in Germany itself. A statement issued on April 24 by Merkel’s Minister for Environmental Affairs, Siegmund Gabriel (SPD), illustrates the problem: He called for a worldwide exit from nuclear power, terming it a “technology of the past.” Fortunately, leaders outside of Germany, most of whom are for nuclear



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German Chancellor Angela Merkel and Indian Prime Minister Dr. Manmohan Singh tour exhibits at the Hanover international industrial fair, April 23, 2006. India is eager for huge trade deals to enhance its power and transport sectors, but can Germany deliver?

power, are not members of the SPD.

A separate Joint High-Tech Council of Germany and India, covering pioneer sectors of industrial research and development, has been created, as well. This includes space technologies, a sector in which the Indian side can contribute a lot (Germany does not have a national space program). This also includes the development of technologies for the International Thermonuclear Fusion Experimental Reactor (ITER) project, to which India already contributes crucial components.

Perspectives for German cooperation with India are wide open, and exports to India saw an increase by almost a third, in 2005, although they are still way below the trade with, for example, China or Russia. Especially in the ambitious national program for the electrification of the remote Indian countryside regions that Singh and his government launched more than a year ago, Germany's power technology industry could provide support to accelerate the program.

Germany's maglev train technology, which so far has been put into reality only in Shanghai, China's biggest urban region, is an ideal transport system for the vast expanses of the Indian subcontinent.

Global Reorganization Required

Thus a great potential is there, but Germany has to overcome some acute problems, to be able to tap it. The German economy is operating way below its real capacity, under the straitjacket of the European Union's Maastricht Treaty budget restrictions. Long-term development projects, for example with India, require large productive investments, and this requires the intervention of the state—which is what the Maastricht regulations ban. By comparison, India is in a much better position, because it is not part of the Maastricht system

and has economic and financial sovereignty. That is why the BüSo demands that the Maastricht system be replaced by a national banking policy approach, and maintains that the concept of shareholder value must be replaced by investments for the common good.

The German government must promote the urgent reform of the global monetary and economic system, in favor of Lyndon LaRouche's initiative for a New Bretton Woods initiative—a return to a fixed-exchange-rate system, based on Franklin D. Roosevelt's model, which would wipe out the financial locusts, and make preferential credit available for productive purposes. Only such a reform, in which the United States would have to play a leading role, can create lasting conditions that are favorable to industrial development. Under the reign of monetarism, there is no breathing space for the common good. Monetarism has to go, and Germany, the biggest economy of Europe, has to help make it go.

The other big problem that Germany faces, is the destructive heritage of the radical ecologist era: German industry would at present not be able to build a single nuclear power plant in India, should an agreement be signed on that. The reason is that, after years of radical ecologist scare-propaganda, only a handful of young Germans dare enroll for a university training in nuclear physics. Within the next four or five years, Germany will not even have enough nuclear experts of its own to keep the still-existing nuclear power plants operating, and will have to hire experts from abroad, from countries like India, China, or South Africa—where the high-temperature pebble-bed reactor technology that was banned in Germany 15 years ago, is being developed right now. Were the German government to decide to build even one new nuclear power plant, it would have to be built by the French, a senior official at the German Physical Society once told this author.

And if China does not decide in favor of building another maglev route soon, Germany's maglev engineers and workers will be unemployed, by the end of 2006 or the Spring of 2007, at the latest. In Germany, which so far only has an experimental route for test-rides with the Transrapid train, but still no concrete decision on a commercial maglev route has been taken. The plans have been blocked by spurious environmentalist opposition.

The broader problem of the shortage of engineers was underlined at the Hanover fair by the German Association of Engineers (VDI), which stated at a press conference on April 25 that 16,000 engineers are urgently needed in the German machine-building sector.

Germany's economy, its research sector, and its educational system need an overdose of technological and industrial optimism, to change course and turn into a leading international producer of goods for the real economy again. The glimpses of hope that can be reported, from the past few weeks of political debates, are only the beginning of a long overdue correction of policies.