EXECONOMICS

German unification could spark economic recovery

In an article Nov. 13, entitled "Potential Power: Two Germanys United Would Pose Challenge to Other Economies," the *Wall Street Journal* endeavored to show the impact of German unification upon the world economy.

However, the article "was misguided in two principal respects," noted congressional candidate and political prisoner Lyndon LaRouche from his cell in a federal prison in Minnesota, where he continues to enjoy a much finer grasp of world events than do the Bush League bunglers who put him there.

"First," LaRouche said in a letter to the editor of that newspaper, "there are the authors' attempts to resurrect the old bogeyman of unified German power in the center of Europe. The flight into mysticism in paragraph 6 of the article in the sub-section 'Potential Threat,' is exemplary. Whatever is truthful in the account is rendered nonsensical by the imputed mystique of German power worthy of the irrationality of some modernist romantic in art.

"Secondly, your account actually understates the potentials developing from what has been set afoot in Europe. In fact, it is so far off the mark that one would have to presume that the present generation at the *Wall Street Journal* is so preoccupied with money matters that they no longer understand what economy is all about.

"The point is that there is no bogeyman arising out of the developments now under way. The very opposite is the case. There is a tremendous potential for good, not only for Europe, but also for the entire world. Who, after all, is going to save the United States from the self-imposed consequences of the last 25 years or so of folly, in the form of the slide into the liberals' post-industrial society, environmentalist insanity, and rock-drug counterculture, unless Europe develops the productive potential to make that possible?

"The authors have no understanding of the relationship between the Federal Republic's economy and the rest of the European economies, and therefore they don't have the ability to construct the future relationships within an integrated German economy, something which has become immediately feasible, and the consequences for Europe as a whole.

"One should simply look," LaRouche continued, "first at the normal life of transportation: of water, coastal and canal capacities, railroads and highways, and then at the question of energy development. Nuclear energy for the G.D.R. would eliminate that country's dependency on lignite. It would clean up the mass of silt which blows into the Federal Republic every day because of this reliance on coal.

"I've tracked through these things, to take up immediately the effect on Poland, and then, the enhancement of the effect on all of Eastern Europe. Because, with the normal, historical lines of trade along the coast, combined with the rail networks and the inland waterways—like the Danube—once these are opened up for development, and the necessary infrastructure is supplied, very high rates of development become possible. This was the approach I outlined at a press conference held in West Berlin's Bristol Hotel on Oct. 12, 1988.

"For the G.D.R., where energy infrastructure and productivity are not bad relative to standards in Western Europe, the main problem is what is being looted out of the economy by the Russians—extra capital, in the form of technology and improvements in infrastructure. Were that looting reduced, the G.D.R.'s skilled workforce would rapidly show very significant gains in productivity. And then the G.D.R. becomes a consumer, as well as a supplier, of the rest of the integrated physical European economy. This gives the entire

4 Economics EIR November 24, 1989

economy a tremendous boost! There's no question about it. We should be doing it.

"So," LaRouche concluded, "there is no bogeyman arising out of developments under way. What ought to be cause for concern is the dangers that arise from not pursuing that course as vigorously as possible. When we get momentum going in economic development in the areas indicated, then we delay, instead of accelerating, the crisis in the East bloc. As long as the Russians see growth in the West, they are going to want to benefit from it. It is when they don't see growth, that they will become desperate, and reach out and grab what they need. We have to get a juggernaut of potential production going, so that the Russians drool at the prospect that such production will be available to help get them through the brutally tough upcoming winter. In that case we have possibilities to control the situation, whereas those who want to terrorize the West by raising the old 'bogeymen' nonsense and demanding that we 'go slow, go slow,' are actually helping create circumstances for gravest crisis, and ensuring that our resources for combatting the crisis will be at their least."

What the U.S. must do

"The U.S. policy respecting the unification of Germany," advised LaRouche in another statement, "must be premised on the understanding that it is the sovereign right of each people to choose its own national destiny, and that any process of unification, we hope, will come as an affirmation of a choice by the people of the G.D.R.

"Now, the question then becomes, upon what basis would the United States recognize a process of unification of the two Germanys? This divides into two questions: first, as it respects Central Europe, without consideration of the two strategic military blocs; and second, as it affects policy respecting the two strategic military blocs in Europe.

"The first question, the unification itself, should not be premised on the East Germans accepting formally any so-called 'free market' principles or pluralism per se as an ideological concept, as dictated by Thatcherism, or similar ideologies somewhat popular currently in certain circles in the West. Rather, we must say that the two Germanys are spiritually united by the Weimar Classic culture associated with such figures as Friedrich Schiller and Beethoven, the Humboldts, vom Stein and others.

"The key, therefore, to the unification of Germany has two aspects. The leading aspect is spiritual, the affirmation of Beethoven, Schiller, and other examples of German classical tradition, as the point of active unity between the two portions of Germany. This is illustrated by the free concerts provided in West Berlin to those who came, virtually penniless, to visit West Berlin from the G.D.R. The cultural unity of the two Germanys, and the question of the proper classical cultural spirit, means a unification process in which we in the United States, and other places, could be confident that

the unification is occurring on the highest and best moral basis possible.

"The second aspect of the unification process is economic development, primarily of the physical economy. The main problem—aside from Soviet looting—is a shortage of basic infrastructure. This means water management, and you can put most of the environmental problems under fresh-water management. The basic energy, transportation, and communications systems must also be upgraded.

"If this is done, as I've suggested, with review of Poland's development in mind, so that you have, actually, a European participation in Germany's key role in the development of Poland, along the railroad artery axis, as I've proposed, then we have an effectively European Community solution to Poland, and an EC economic development umbrella for the unification process occurring between the West and East portions of Germany."

The second general area concerns the Warsaw Pact and NATO, LaRouche said, where there is a major difference in the missions of the two sides. The only reason for the presence of Soviet troops in East Germany and the Bohemian region of Czechoslovakia, he noted, is for a "pre-emptive Soviet attack to the West, in the spirit of the Tukhachevsky Plan of the Offensive's positioning of Soviet paratroop and other forces back in the mid-1930s. It's an offensive position, pure and simple."

On the other hand, LaRouche stated, the NATO forces in West Germany represent no such offensive threat. They are, incapable of launching offensive war. "We can, therefore," he said, "consider a doctrine respecting the area which is presently the Eastern European section of the Warsaw Pact, that each of the nations in question can decide on a sovereign basis whether or not to allow any foreign troops on its territory. And secondly, the West can generally accept, I believe, the proposition that we will not station any of our troops in such territory, if the Russians pull out.

"Now, this would give the Russians what they have wanted in one respect: the zone of neutralization relative to the two pacts' positions in Europe. And I think that the President of the United States and others should consider making such an offer, at least, in philosophical terms of reference, as opposed to a concrete, detailed offer, which might be imprudent to advance too rapidly.

"But in general, on the unification of the two Germanys, there is a spiritual basis epitomized by Schiller and Beethoven, and an economic basis epitomized by Friedrich List—the opponent of Marx. This unification process, so shaped, must be endorsed and desired by the U.S. as the only feasible German solution, rather than an abstract one

"The United States should recognize that any such development in Europe cannot but be to the benefit of Japan, the United States, and sundry other nations of the planet as a whole. We must support it, especially politically, and with suitable forms of cooperation."

EIR November 24, 1989 Economics 5