

## Top Priority for Germany: Create 8 Million Jobs!

by Rainer Apel

The Monday protest rallies in Germany, which were sparked by Helga Zepp-LaRouche in July, keep expanding, in spite of intensified counter-propaganda by the government, widely circulated by the media. On Aug. 30, demonstrations took place in about 200 cities, mostly in eastern Germany, with a total turnout of at least 150,000 citizens, and more and more such rallies, in protest against the government's new budget-cutting round (the "Hartz IV" package), are being held in smaller cities all across Germany. The protests are now spreading to Austria and Poland as well.

Whereas in Germany's big cities, the notorious leftist "protest professionals," with their Baby-Boomer ideologies ("The Good Life Now" is a main slogan of the Attac organization), tend to dominate events, it is the average citizen, concerned about the creation of new jobs, who is turning out in many of the smaller cities. "I do want to work, but where is the job?" reads a typical, homemade picket sign taken to the streets by a citizen, who also insists that real jobs at full pay be created, instead of the make-work jobs at a pay of 1 euro per hour which the government keeps talking about.

"What we need is real jobs that can feed a family, not make-work opportunities that don't," Sabine Zimmermann, chairwoman of the southern Saxon Vogtland district of the German Labor Federation (DGB) told this author in August. Zimmermann reported that she was very positively surprised at the attendance at her first speaking engagement at the Monday demonstration in Plauen on Aug. 9; citizens who work in the region's industry came to the rally straight from their jobs.

### The LaRouche Intervention

The problem with many of the rallies is that the organizing committees that have been hastily thrown together—in

response to the four weeks of the LaRouche movement's Monday rallies in Leipzig and several other cities in the eastern state of Saxony, between July 12 and Aug. 2—often evade the question of how to create jobs. The citizens, however, want an answer to exactly that question, and pressure has increased on rally organizers to arrange citizens' round-tables, to put questions of the real economy on the agenda.

This also explains why representatives of the LaRouche movement, especially the LaRouche Youth Movement, and the Civil Rights Movement Solidarity party (BüSo), which Mrs. LaRouche heads, were invited to address Monday rallies in 11 cities on Aug. 30: Dresden, Hoyerswerda, Kamenitz, Zwickau, Freiberg, Aue (all in Saxony), and Potsdam, Perleberg, Königswusterhausen, Brandenburg, Fürstenwalde (all in the state of Brandenburg). And unlike the dominant national media, the regional media covered the BüSo interventions honestly. For example in Perleberg, the *Märkische Allgemeine* wrote that "Frank Hahn from the BüSo demanded the creation of 8 million jobs through great projects, among them building the Transrapid [maglev train]." In Potsdam, BüSo speaker Tina Rank of the LaRouche Youth Movement was approached by citizens who had listened to her speech, thanking her with the words: "This is finally something with substance—you guys are super!"

The "Manifesto" which BüSo Chairwoman Helga Zepp-LaRouche had published on Aug. 17, to get the discussion focussed clearly on the real economy (see *EIR*, Sept. 3), is now being widely circulated.

The central issue in this Manifesto, as well as a mass leaflet that went into circulation on Sept. 6, is the necessity of creating 8 million new jobs in the productive sector of the



*The LaRouche movement's BüSo party leads a demonstration in Plauen on Aug. 24. Although many parties and social forces are protesting against the Berlin government's austerity policies, it is the BüSo alone which has a solution to the global crisis.*

German economy over a period of no longer than ten years, with minimum annual investments of 100 billion euros. By comparison, real unemployment, which is at about 8.5 million in Germany (almost twice the figure given in the official statistics), presently burdens the German nation with annual expenses of 230 billion euros.

The BüSo program is centered around large infrastructure and technology projects, financed through government-directed credit generation in the range of 100 billion euros a year. These funds, generated through new public credit institutions and the existing Kreditanstalt für Wiederaufbau (Reconstruction Finance Agency, KfW), will trigger another 100 billion euros a year in additional private investments.

The backlog in German municipal infrastructure investments, according to the official estimates, amounts to 630 billion euros. Including the infrastructure on the Federal and state level, there is a backlog in public capital investments of 1,000 billion euros. A billion euros of such investments typically leads to the creation of 25,000 jobs, half in the construction sector and the other half in all other sectors. This immediately leads to reduced public costs of unemployment of a half-billion euros, which means that for the government, these investments are about 50% self-financing.

In the private sector, the existing volume of physical capital—buildings, machines, other equipment—is not nearly sufficient to allow for the creation of several million new jobs. In the industrial sector, capacity utilization is at around 85%. Therefore, capital-formation on a huge scale,

in particular in the industrial sector, is required to achieve full employment.

The industrial sector has to be at the center of the job creation program. At least five of every eight new jobs should be industrial jobs. In view of an average capital intensity in the industrial sector of 120,000 euros per job, there is the need to expand the physical capital in all the industrial branches by a total of 600 billion euros. For the entire private sector, roughly 1 trillion euros in additional physical capital has to be formed to allow for 8 million new jobs. Including public infrastructure, the German economy therefore needs 2 trillion euros in investments in order to reach full employment. With 200 billion euros of additional investments per year, this goal can be achieved within a decade.

As most of the new jobs will be productive full-time jobs, the additional output volume of the German economy would reach a dimension of 500 billion euros.

### **Hottest Situation in Eastern Germany**

It is a great advantage of the eastern Germans, that they still remember their life in the former East German state, which—worn-out as its economy may have been—did employ almost 50% of its labor force in productive industry; before German reunification in 1990, the West German state employed a bit more than just a third of its labor force in industry. Since 1990, eastern Germany has been largely deindustrialized, under the dictate of free-market ideologies, but Germans in the east have not fully made the paradigm shift from industrialism to post-industrialism, which is, unfortunately, typical of most Germans in the west. “If you have big industries here, you also will have the *Mittelstand* [small and medium-sized industry] that supplies them, and you will have the crafts, which will live from the orders they get from the industry and from the consumer, who earns a real income, instead of the jobless support on which many over here depend,” an engineer from a city near Magdeburg, the capital of the eastern state of Saxe-Anhalt, told this author.

With many such discussions and many new contacts made, the LaRouche movement, especially its Saxony election campaign intervention force of about 50 organizers of the LaRouche Youth Movement, is in a good position to play its crucial role for making the real economy the top priority of the coming Monday rallies.