

GERMAN ELECTION

Upset for Neo-Con Merkel; Increase for LaRouche Vote

by Rainer Apel

German neo-cons received a big shock when the Sept. 18 election for national parliament did not give them the expected mandate for forming the new government. With only 35.2% of the vote, the opposition Christian Democrats (CDU) of neo-con candidate for Chancellor, Angela Merkel, came in well below the 40-42% they had envisaged. Even if the 9.8% of the Free Democrats (FDP), Merkel's preferred choice as coalition partner, were added—a "black-yellow" coalition (black for CDU, yellow for FDP)—this would only bring the total up to 45% of the vote, and would not enable her to deliver the "regime change" which the Bush-leaning Merkel wanted. She and the other leaders of the CDU had rather long faces, by the time the election result was in. The fact that the trend was going against Merkel, had been observed by pollsters before the election, but had been ignored by the CDU, because its leadership is composed of utopians too arrogant to pay any attention to what the voters really think.

By contrast, the incumbent Chancellor, Gerhard Schröder, and his Social Democrats (SPD) were jubilant after the vote count, because with their election result of 34.3%, they had improved considerably from the 27-28% which had been forecast for them only three weeks before. That pro-SPD trend had been noted before the election, as well, and Schröder had even declared one week before the election that a result above the 34% range was possible.

But, even with the 8.1% of the Green Party added to the SPD vote, this would still not provide a majority for a continuation of Schröder's "red-green" alliance (red for SPD, green for the Green party). Such an alliance would total only 42.4%

of the vote, not enough for a government majority. Nevertheless, Schröder announced a claim on the chancellorship, on the grounds that the electorate had voiced deep discontent with the over-ambitious Merkel, and that the improvement of his SPD by 7%, over the last three weeks of the campaign, showed a process of rapidly increasing support for his policies.

Schröder's view is complicated by the fact that the election-night vote totals are not the final result: There is to be a delayed election in the Dresden-I district on Oct. 2, and the outcome of that vote will show whether Schröder's interpretation is correct. The Dresden vote could improve the SPD's national standing, which is now three parliamentary seats less than that of the CDU.

BüSo Advances

The preliminary result of Sept. 18 was welcomed by Helga Zepp-LaRouche, candidate for Chancellor of the LaRouche movement's party, the Civil Rights Movement Solidarity (BüSo), which gained twice as many votes as it had in the last election three years ago. The party ran in 7 out of 16 German states, including the city-state of Berlin, Germany's capital. In Dresden, the state capital of Saxony, the BüSo is firmly committed to do everything possible to win that district for its candidate there, Katarzyna (Kasia) Kruczkowski, on Oct. 2. To achieve that goal, a special intervention force of 60 LaRouche Youth activists have gone into the Dresden region.

Of the BüSo's party votes (German voters have two votes: one for the party, one for the direct candidate) that were tallied



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Merkel and her backers, intent on undermining the role of the state as defender of the common good, thought they had the election tied up, but her lead crumbled. In June, she stated that Germans “are not entitled to democracy and the German model of general welfare for all eternity.”

by late on election night, about 40% were won in the eastern state of Saxony, alone, which is a stronghold of the BüSo. Of the direct candidate BüSo votes, more than 50% were in Saxony, while another 25% of BüSo’s direct candidate votes were in Berlin. Direct candidates of the BüSo received between 0.8% and 1.8% in numerous districts, with results solidly above 1%, particularly in districts in Berlin, Saxony, and in the southeastern region of Bavaria. Although the percentages remain small, in Germany’s tightly controlled political system, the growth shows that the BüSo’s message is getting through. A strong showing in Dresden will have national impact.

“The good aspect of the election result of Sept. 18 is that the neo-conservative policy of Mrs. Merkel, [her nominee for Finance Minister, Paul] Kirchhof et al., was clearly rejected,” Zepp-LaRouche said in a Sept. 19 statement. “But a real solution to the problems which we are faced with in Germany, has not yet been provided by this election result.”

Pointing to the crucial vote in Dresden on Oct. 2, Zepp-LaRouche said: “If you, the voters of Dresden, want to make a real impact on world politics, then give your direct-candidate vote to BüSo candidate Kasia Kruczkowski. Because, she stands for the alliance with the real America, in the tradition of the American Revolution, the opposition to Bush and Cheney, and for a New Bretton Woods System.”

“Kasia would, as a BüSo member of the Bundestag [national parliament] support Chancellor Schröder, but do so with her mandate: for establishment of a new just world economic order, for the activation of the Stability Law of 1967, and for state generation of credit for productive full



Bundesbildstelle

Chancellor Schröder, shown here on election night, is claiming that he, and not his opponent, Angela Merkel, will form the next German government. He has addressed the oil price speculation issue, but has not mentioned the collapsing world financial system.

employment.”

The Zepp-LaRouche statement addressed the crucial “shoe-string” role, which the BüSo campaign has played for Germany, because no other political party spoke about the huge global financial meltdown crisis, nor was there much mention of the world outside Germany by candidates of the establishment’s parties. Schröder has repeatedly addressed the oil price speculation issue, but not really indicated what he would do about it, in concrete terms. Apart from that, Schröder also hasn’t talked much about the world outside Germany, during the entire election campaign.

Election Closely Watched from Abroad

By contrast, the world abroad did watch the developments in Germany rather closely, because Germany, the economic powerhouse of Europe, is crucial—both for productive investors, but unfortunately also for speculators who hope to make profits here. Financial circles, in particular, watched German developments, as shown by a Sept. 14 pre-election assessment, in the international Bloomberg newsletter, which voiced discontent with Merkel. Under the headline, “Kirchhof Radicalism Takes German Poll to the Wire,” Bloomberg columnist Matthew Lynn wrote that until very recently, Merkel’s designated finance minister and his radical ideas had seemed to be unstoppable on their way to chancellorship of Germany. “And now? A ballot that seemed like a sure thing for the CDU is set to go down to the wire. At the very least, Kirchhof’s proposals have dashed CDU hopes of ruling with a majority.

“That may also end up costing billions for the global investors who piled into Germany on the near-certainty that a new CDU-led government would bring about the pro-business, free-market change the country needs to revive its flagging economy.

“The lesson: there is nothing wrong with having radical economic policies. . . . There is, however, no point in bothering the electorate with them. Politicians do better with bland promises during the campaign, followed up with bold action after the election. Money has poured into Germany since the elections were called. . . . The bet was that market-friendly measures would be pushed through by a triumphant CDU-led government. . . . If Merkel finds herself negotiating a coalition with the SPD next week, she’ll only have herself to blame for endorsing Kirchhof. And it will be a long time before any Western European politician mentions a flat tax with an election looming,” the Bloomberg commentary concluded. Kirchhof resigned from Merkel’s team, the day after the election disaster.

And, because Merkel categorically rejected any idea of a Grand Coalition with the SPD, be it with or without Schröder, it was taken as almost certain in the international and German press, that Merkel would be moved to the side, soon. Her only chance to stay in the game, was a risky intrigue to grab for the chancellorship virtually at the last minute.

Can the Faltering Merkel Be Installed?

That intrigue would be an attempt to get Merkel elected on the basis of a dirty deal between her “black-yellow” camp and the Greens, in what might even turn into a formal coalition agreement—the “Jamaica Coalition,” as it is called in Germany, because it would include the three colors of the Jamaica state flag. Taking the Green vote away from Schröder, would indeed make it impossible for him to get re-elected by the parliament (in Germany, the parliament elects the Chancellor). What has added much to the ridicule in the German media of Merkel, after that weird “Jamaica” scenario was first mooted on Sept. 20, seems to be that a certain radical faction among the hedge funds and other financial speculators—those who also talked Merkel into nominating Kirchhof—have convinced Merkel that this would be the right thing to work for. Indicative of the fact that a conspiracy is on to push this scenario through, were statements by prominent CDUers, from Sept. 21 on, that a “Jamaica” option would be the ideal way to secure Merkel the election as Chancellor.

The conspiracy’s timetable is this: Shortly after the Oct. 2 vote in the Dresden-I district, the newly elected parliament would be convened, likely one or two weeks before Oct. 18, the constitutional deadline of 30 days after the election. By no later than mid-October, Merkel would be voted in, if not by the required absolute majority of parliament members in the first two rounds of voting, then in the third round, which only requires a relative majority of votes. By the end of October, Merkel would launch her radical budget-cutting program, the infamous “100-Days-Program,” and thereby please the financial speculators. She would do so, then, even if she still had no formal coalition with the Greens fully negotiated.

This is a very high-risk scenario, though: Unlike Schröder, who does have the full support of his SPD, Merkel does not control her own party, since there is a lot of resistance



EIRNS/Wolfgang Lillge

The day after the Sept. 18 election, Zepp-LaRouche stated that Germany and the world are being threatened with a collapse of the financial system, and emphasized that neo-con plans to launch new wars to postpone the crisis, would only make matters worse.

not only against her policy in general, but especially resistance against the “Jamaica” option. In the CDU, there is a lot of support for a Grand Coalition with Schröder’s SPD, and there are also currents inside the FDP that are in favor of an FDP coalition with the SPD. A similar situation exists in the Green Party, where strong currents categorically oppose Merkel. Therefore, Merkel runs a very high risk, if she depends on the third round of voting in the parliament. There Schröder could suddenly announce his candidacy for re-election by the parliament, which could occur then even if by a few votes over Merkel, thanks to these FDP and CDU swing-over votes.

But such a scenario could be up-ended by a foreign policy crisis, another huge U.S. hurricane disaster, or a big banking or hedge fund collapse—all of which would tilt the preferences not only of the German population, but also of the establishment institutions, in favor of Schröder. Even among many Merkel supporters, his leadership qualities are generally viewed as superior to hers. The LaRouche movement advises Schröder not to wait for such things to happen, but to take leadership right away, addressing those crisis

issues that expose the Merkel's incompetence, and thus making sure that none of the last-minute scenarios spun out for her chancellorship would have the slightest chance of succeeding. After all, Schröder still is Chancellor, and he will be, until another politician is elected. The best way for Schröder to stay in office, would be an endorsement of a New Bretton Woods financial system reform, along with a categorical denunciation of financial speculators. This would be a signal that Germany is on the side of the anti-Bush forces in the United States. The Dresden campaign of the BüSo for its candidate there, Kasia Kruczkowski, during the critical period until Oct. 2, will be crucial to crush Merkel's dreams, once and for all.