

Make Berlin a Crossroads For Eurasian Development

by Helga Zepp-LaRouche

Parliamentary and borough elections will be held in Berlin on Sept. 17. The Civil Rights Movement Solidarity (BüSo), the LaRouche party in Germany, will stand for office on a platform for reindustrializing Berlin and reviving its great Classical tradition. BüSo Chairwoman Helga Zepp-LaRouche issued this statement to kick off the campaign, the first week of April. It has been translated from German.

Dear Berliners!

Are you of the opinion that over the past 16 years, Berlin has gone in the right direction? Now, if you are a stockbroker, windmill-maker, or simply a fun-seeker, you will probably answer yes. But if you are amongst those, whether in west or east Berlin, who had a productive job in industry before 1989, or if you are a young man or woman with no prospect before you, you are doubtless well aware how wildly astray we have gone, and how urgent it is, that Berlin be reindustrialized.

What is needed, is a wide-ranging plan concerning the role Berlin can play in a Eurasian continent that will be growing closer together over the next two generations. Under pressure of events, the issue will put itself on the agenda, although the established parliamentary politicians are presently less concerned with such a perspective for the future, than they are with the size of their own pensions.

As it happens, Berlin's debt now stands at 66.5 billion euros; that works out to 22,000 euros per inhabitant, approximately three times higher than the debt of Argentina, which is officially \$140 billion, but in actuality \$200 billion. Reality is, that the entire world financial system is hopelessly bankrupt, for the same reasons that Berlin is bankrupt.

What has taken place in Berlin over the past 16 years, is

the same process seen throughout the so-called industrialized nations over the past 40 years: systematic deindustrialization, a paradigm-shift away from production into speculation—away from a society of producers creating real goods, that encouraged advances in science and technology, over to a society of consumers, that “produces” money in a money-economy, and where “profit” alone counts.

But the game is now up for this casino economy. In point of fact, the world financial system was already at the end of its rope in October 1987, a replay of the 1929 “Black Friday.” But with the collapse of the G.D.R. [Communist East Germany] in 1989 and the U.S.S.R. in 1991, some saw the opportunity to loot real economic worth through privatization, otherwise known as “shock therapy” or “liquidation.” In the former U.S.S.R., between 1991 and 1994, this led to 70% of industrial capacity simply vanishing, while in the former G.D.R., industry was slashed to the bone. The mass of the population was thrown into misery, while “oligarchs” and “managers” lined their pockets lavishly.

And now? Now, behind the scenes on the executive floors of banks, cartels, and governments, panic reigns. For years now, the banks have been simply printing money, in an attempt to forestall bankruptcy: virtual money, funny-money, “created” at the click of a computer-mouse and pumped into the system. In this way, bubbles developed in real estate, stocks and bonds, energy, and raw materials. This prevented the system temporarily from blowing out—the only fly in the ointment is, that we are now facing hyperinflation.

The central banks are currently trying to pull off what they would like to believe is “controlled” deflation—raising the interest rates, to let the air out of the bubble-economy. It is

only a matter of time until the property bubble, and notably in the U.S.A., explodes, or the totally uncontrolled derivatives speculation leads to a complete breakdown of the system. In truth, the “globalized” financial system is more bankrupt today than ever the G.D.R. was in November 1989.

The Way Out

The [German Federal] Grand Coalition’s first months in power indicate that the government is rather prepared to repeat the selfsame errors perpetrated by [Heinrich] Brüning, viz., the brutal austerity measures that led to the great Depression of the 1930s, than to change course in respect to economic policy. Nor should one expect much from the rest of Europe, as the governments are not only divided, but they have forced their nations into the Maastricht and Stability Pact straitjacket. Although mass demonstrations and strikes have broken out everywhere, these have not yet gone beyond “single issue” protests.

The actual power relations on this planet define that the only means at hand to solve the systemic crisis, is for the United States to take the initiative. And that chance does indeed exist. The Democratic Party, thanks to the leadership provided by the opposition figure and economist Lyndon LaRouche, may well opt for the Franklin D. Roosevelt course, and return to his policy of state issuance of credit.

Whenever anyone dares to suggest in Germany today, that a positive solution might loom on the horizon, from the United States, the general reaction is shocked disbelief. Never has the prestige of the United States lain so low, as since the neo-cons took power. But the good thing is, that Berliners have historical experience with the real America, the America that supported West Berlin’s population with a 462-day airlift. And today, for people outside the United States, it is extremely important that there are, indeed, two utterly opposed currents in the U.S.A.

On the negative side, when one thinks of everything that is being done in the name of “globalization” in the world today, it becomes obvious, that globalization is nothing but an attempt to submit the planet to fascist dictatorship. That includes the attempt by the neo-cons to rein in the powers of the U.S. military, and replace those with private organizations and firms, operating without any Congressional oversight. George Shultz, for many years the head of Bechtel Corporation and the neo-cons’ mentor; as well as the banker Felix Rohatyn, whose role in the Pinochet putsch in Chile is now being investigated; and Vice President Cheney, who headed Halliburton for many years, are the spokesmen for that policy.

But their policy has led to the greatest strategic debacle in U.S. history. The war in Iraq has already turned sour, more so than the final stages of the Vietnam War, and the U.S. troops’ position is so desperate that without help from Iran, they will not even be able to withdraw without leaving behind complete chaos and civil war in the entire region. The lies and manipulation used to justify that war are now being investi-



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The BüSo organizing in Berlin, in front of a closed AEG factory. To revitalize the city’s industry, build the Eurasian Land-Bridge!

gated in the Congress and Senate. It has come to light that the neo-cons moved to prevent any involvement of the Iraqi Army in rebuilding Iraq after the fall of Saddam Hussein, solely to guarantee Halliburton’s billion-dollar contracts.

The disaster in Iraq is but one of dozens of reasons that have made Cheney and Bush extraordinarily unpopular, and have stirred revolt against the neo-cons in traditionalist military circles, and even in the Republican Party. Although the situation will remain extremely dangerous until the neo-cons have been removed from power, nonetheless, that outcome is approaching. The mainstream Republicans know that the November elections are around the corner, and that they will be wiped out, if they remain tied to the neo-cons.

The best-case scenario would be a cross-party coalition of Democrats and moderate Republicans, following in the footsteps of Alexander Hamilton, the country’s first Secretary of the Treasury, and of F.D. Roosevelt, to reorganize the world financial system, and, along the lines of the 1944 Bretton Woods System, convene an emergency government-level conference. The worst-case scenario would be that such a conference take place after the crash, as the sole alternative to boundless chaos.

A New Bretton Woods

The conference would pronounce the present financial system bankrupt, and launch sweeping new measures. Most of the world's debt cannot ever be repaid, and must simply be struck from the books. Other debt categories must be converted from short-term, high-interest-rate debt, to long-term credit at low interest rates. Derivatives speculation must be eliminated through agreements between governments, and fixed exchange rates re-introduced, without which no long-term investment internationally is feasible.

In the context of that new financial architecture, Germany must take back sovereign control over her own currency. The European Currency Union has proven—as predicted—to be a gigantic flop, and has created an equally gigantic imbalance to Germany's disadvantage within the Eurozone. It is all well and good for Germany to be the "world's leading export nation," but it profiteth us nothing! We are exporting real goods, and then we turn around and pay the relevant income out again for massive cross-financing of the more backward Eurozone nations. Meanwhile, unemployment, in real terms, has reached 9-10 million in Germany alone, while in real terms, income has collapsed during the years of the euro.

A major aspect of a new financial architecture, will be a National Bank for Germany, and either the Bundesbank or the Kreditanstalt für Wiederaufbau must, just as after World War II, be used to issue public credit. The National Bank must then make 400 billion deutschemarks per year available, so that no fewer than 10 million productive jobs can be created.

Such credit is not inflationary, provided it be issued strictly in line with the principles of physical economy—i.e., used to create real capital value, and to increase productivity, being invested in projects that would attract investment also in times where the economy is prosperous. This is seed capital, which eliminates unemployment and therefore gets rid of an enormous cost to the real economy. The former unemployed will then be creating real value, in the order of several hundred billion D-marks, and the tax revenue base will increase accordingly. Real growth of 3% per annum will suffice to compensate for the decline in demographic development, finance pensions, get back to the level of health care we previously enjoyed, and so forth.

A Perspective for the Next Half-Century

We need a vision for how we want to design the 21st Century, and a vision of a truly peaceful order, putting aside once and for all the catastrophes of the 20th Century. Pragmatism will not suffice to build such a peaceful order: It must rest upon the common goals of all mankind. That means affording every human being on the planet a life of dignity, and pursuing the common good of all of humanity. Such a vision is neither unrealistic, nor is it prejudicial to the economy—to the contrary. The obvious, concrete framework for such a program is to build the Eurasian Land-Bridge.

Now that the Iron Curtain dividing Europe has fallen, there is no material obstacle to integrating the economies of Eurasia. We need only pick up where things were broken off by the onset of World War I, and relaunch both the Trans-Siberian railway and the Berlin/Baghdad railway.

What is needed is a transport scheme for the whole of Eurasia, linking the industrial and population centers of Europe with the industrial and population centers of Asia. That calls for an integrated network of high-speed rail, including the Transrapid, and normal rail, as well as motorways and canals that can be interlinked through computerized stations.

Around these transport arteries, we must build 100-kilometer-wide development corridors, for energy production and distribution, and communications, creating the ideal pre-conditions for new cities, and for new industrial and agricultural enterprises. Through these modern infrastructure links, the landlocked regions of Eurasia will be as privileged in respect to local business environment, as those lying on the sea or on a river.

That means kissing goodbye to the paradigm that has brought about the ongoing collapse of the world financial system. The building of the Eurasian Land-Bridge does not mean maximizing the profits of private financial interests, but rather to improve productivity in the lesser-developed Eurasian nations, and to increase the living standards of the countless millions who still live in poverty, including 70% of the populations of China and India.

This long-term development strategy is in Germany's own best interest. We have almost no raw materials. Since Bismarck's industrial and labor reforms, we owe our high living standard only to a continued focus on advances in science and technology, and of course, we export up to 40% of what we produce. Our natural export markets are in Russia, China, India, and the rest of Asia. It is in our own best interest that our clients become richer, and that their buying power increase.

But in the future, we will not be the only ones who export. There must be a rational division of labor among all the world's nations, each focussing on a suitable area. Part of such new economic and financial infrastructure must not only be the development of raw materials in Siberia and Central Asia; we must also develop new raw materials with modern methods, such as creating energy from hydrogen or thermonuclear fusion.

Such a Eurasian development will occur, either now, or after a long dark age. At some point, our children will look back at our own epoch, and ask why the aforesaid program was not implemented the moment the U.S.S.R. dissolved (just as we proposed in 1991). The Eurasian Land-Bridge is in the natural course of events. All we suggest, is that this program be launched as an instrument to actively intervene, to end the current crisis, and to get us started rebuilding the world economy.

Berlin's Future

Should Eurasia be integrated as we have just described, Berlin's future looks bright indeed. 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. Precisely because our view of Berlin's future is optimistic, we suggest that the former Soviet airport at Spereenberg be retooled so as to become an intercontinental airport.

Should the United States break with the neo-cons and return to Roosevelt's policies, it will cease to see Eurasian development as a geostrategic threat. After World War II, Roosevelt intended to do away once and for all with colonialism, which is why he clashed with Churchill, who intended to preserve the British Empire and colonies at any cost.

The United States can indeed return to the tradition of John Quincy Adams, one of its finest Presidents, and to the concept of a community of principle amongst sovereign republics. If it does so—and that is what the LaRouche movement intends to have it do—it will regain a prestige that has been tarnished by the neo-cons. And Berlin—in the most glorious tradition of the friendship between, first, Prussia and the young United States, and then Germany in Bismarck's day, during the Industrial Revolution in the United States—can then speak out for a new Atlantic Partnership.

Reviving Berlin's Classical Tradition

Have you taken notice of Berlin's virtual reality image as a media and PR town? With 68ers, yuppies, bankers, film producers, and show-biz moguls having a blast, partying hard night and day. One is almost reminded of the Cabarets, vintage 1920s. The problem is that all this is virtual reality, and by definition has nothing to do with real-reality. Where does all this strange counterculture come from?

It so happens that, in addition to the positive American tradition that we have just seen with Gen. Lucius Clay's airlift, there has also been a negative impact on Berlin. After World War II, the Congress for Cultural Freedom was very busy here. The CCF was nominally simply the extensive propaganda front of the beginning in the Cold War against the Soviet Union. In reality, things went much farther: The CCF waged cultural warfare against the axioms that had made an F.D. Roosevelt possible—in other words, against the notion of leadership, in a strict line of descent through the American Revolution and the idea of the common good. In Europe, the CCF was there on the scene, undermining the Classical culture that even Nazi terror had not succeeded in uprooting.

Alongside the Frankfurt School, mentors to the 68er generation, the CCF bears the responsibility for destroying Classical humanist culture. We have gotten to the point that in Berlin, it is quite impossible to see a single Classical production of a major play, as it still was possible with the director Borislav Barlog at the Schiller Theater. *Regietheater* has been

repeating tastelessness and pornography for the last four decades, and that is due to the longterm influence of the CCF.

Taken together with the destructive effects of the OECD educational reforms, rammed through by the Brandt government in 1970, and the ensuing onslaught against the Humboldt educational system, it is no accident that Berlin's "popular" culture today should be so trivial. By now, almost two full generations have grown to adulthood, denied any inkling of a humanist education.

With the 68ers, who began their long "march through the institutions" 40 years ago, and now are sitting in leadership positions everywhere, as well as the next-in-line "Tweeners," two generations have gone by, whose essential character trait amounts to thinking in "virtual" terms, cut off from actual reality. Which explains their hostility to technology and industry, and a perfectly streamlined and predictable, politically correct mindset. Few among them would ever even dream of standing up against the *Zeitgeist*, and taking personal responsibility for the consequences of their own conduct.

But Berlin, since the days of Gottfried W. Leibniz, Abraham Kästner, Moses Mendelssohn, Gotthold Ephraim Lessing, the Humboldt brothers, Schinkel, and countless others, has a Classical tradition of which few cities can boast.

The BüSo and the LaRouche Youth Movement are resolved to make Classical music and poetry accessible to every citizen. So, you may well come across youths in the streets of Berlin, who, with a properly trained *bel canto* voice, sing Bach, Mozart, or Beethoven, or recite poems of Friedrich Schiller.

Instead of the so-called "youth culture of violence," which now rages throughout Berlin's schools, instead of discothèques and drugs, let us give youth the chance of a humanist education, as Schiller and the Humboldt brothers would have intended. And we do not only speak about this—we live it.

For Berlin, our nation's capital, to play the positive role it must do, as core and crossroads of Eurasian integration, Berlin, and Germany, must be in a subjective state capable of confronting the challenges of our time, and that means reviving Classical culture, because it is the nourishment of the soul.

This is my promise to you: The coming months of the Berlin electoral campaign will be months of dramatic change internationally. Work with us, because we have a clear notion of how to intervene into the future, and we have a hotline to the true United States.

Berlin must be reindustrialized. For that to happen, we need active citizens, not just people who carp and cavil about "the politicians," but people who will fight at our side for Berlin and Germany, against "globalized" fascism, the [financial] "locusts" and the European Union's bureaucracy.

We need your active engagement for Germany to revive its great tradition as a land of Poets and Thinkers, and find therein the power to create new ideas, and face the challenges of the future.