

# German unification, set for October, could prevent new world war

by Rainer Apel

The vote Aug. 22 of more than two-thirds of the East German parliament, to merge its state with the state of West Germany on Oct. 3, was a historic move. Not only did it help to accelerate and thereby consolidate the momentum for German economic and political unification, but it also contributed an important element to the solution of the grave crises in the former East bloc and the Middle East.

Both crisis spots can only be pacified by a strategy of sound economic development, of defining joint interests in peace for the conflicting parties and currents in the respective regions. In the Mideast, a return of politics to the task of developing the basic transport and energy infrastructure, improving water management and increasing the acreage of arable land, of building new cities and populate the desert regions, is even more urgent than ever.

The main source of recovery for the Mideast is the same European industrial powerhouse that is the source of hope also for Eastern Europe and the U.S.S.R.: those regions in the central Productive Triangle that is roughly situated between the three cities of Paris, Vienna, and Berlin. Not only for the Arab nations, but also for the Israelis who have been under the firm control of British banking interests since 1948, a liberation from the dictates of various financier groups in London and in New York, and maneuvering room for industrial and agricultural development, can only be achieved in close cooperation with the economies of Central Europe that are predominantly based on capital goods production, energy, and transport infrastructure development.

The combination of the two formerly separate German economies, even though the process may be turbulent under the current world crisis conditions, will create a bridgehead of sound industrial production in Europe being at the disposal not only of East Germany, Eastern Europe and the Soviet Union, but also the regions of the Mediterranean and the Mideast in the coming few years.

## Moscow talks open the doors

The key catalyst in this most recent development, which brings German unification much closer than conceived of only a few weeks ago, was a step forward on the part of the Soviet Union. On Aug. 17, the two foreign ministers of West

Germany and the Soviet Union, Hans-Dietrich Genscher and Eduard Shevardnadze, met in Moscow for six hours, and agreed that the entire schedule of international and bilateral talks on the German unity issue should be significantly sped up. Shevardnadze told Genscher the Soviets have no objections against a unification of Germany in the period after the next (and tentatively, last) "two-plus-four" talks in Moscow on Sept. 12 and before the all-German elections for parliament on Dec. 2.

Genscher announced from Moscow that the two West German ministers of economics and finance, Helmut Haussmann and Theodor Waigel, would come to Moscow the week after to work out further details of the planned Comprehensive Treaty on German-Soviet Cooperation. The treaty will be prepared for signature in September, shortly after the conclusion of the "two-plus-four" talks. Waigel left Bonn for Moscow on Aug. 23, and Haussmann followed the next day. Waigel's agenda included draft proposals for a number of bilateral German-Soviet agreements, such as:

- A budgetary allocation, denominated in deutschemarks, to cover the stationing costs of 380,000 Soviet soldiers and 220,000 Soviet civilians in East Germany to bridge the period until their final withdrawal.
- A stable exchange rate for Soviet soldiers in East Germany, enabling them to turn their rubles into deutschemarks for a decent income above present poverty levels.
- A special budget to fund a German share in a large-scale program for homebuilding in the western parts of the U.S.S.R., to be offered to returning Soviet soldiers from East Germany and to civilians. Eventually, a special program will put rail routes from Germany into the U.S.S.R. into shape, in order to gain the ability to speed up the withdrawal by intensified military transports eastwards.
- German budgetary and credit support to East German firms which rely on stable export relations to the U.S.S.R., in return for Soviet price guarantees for exports of natural gas, crude oil, and coal to East Germany.
- Elements of a long-term credit frame for future economic cooperation between the united Germany and the Soviet Union.

Haussmann's agenda concentrated on aspects of pre-

ferred investments in the U.S.S.R., especially in crude oil and raw materials exploration, production, and marketing.

### Alternatives to Mideast oil

The energy aspect is directly related to the outbreak of the crisis in the Persian Gulf, which did not come unanticipated to energy experts in Germany. Already at the end of June, the West German oil exploration firm Deminex signed a contract with the Soviet government on opening up crude oil reserves in three regions—the Tatar S.S.R., the Volgograd region, and West Turkmenistan.

This is the first deal signed between a West German energy firm and a Soviet partner in the exploration sector. So far, only the East Germans had invested in the opening up of new gas and oil fields in the U.S.S.R. A spokesman of Deminex told *EIR* a few days after the contract was signed, that the company is currently also testing the ground for an engagement in the ailing, run-down Siberian oilfields of Tyumen, where large-scale investments in modern oil-producing technology are urgent to keep the production output at present levels, and eventually to even increase it over the next few years.

On Aug. 2, immediately after the Iraqi military advance into Kuwait, another spokesman of the German oil industry sector told *EIR*, "The Iraqi intervention underlines the need to look for other, safer oil-producing regions." The spokesman hinted at potential, increased German investments in the Soviet Union. "As a matter of fact," he said, "the statistics show that it is not the Mideast which is the world's number-one oil producer, nor is it the United States, but rather the U.S.S.R. The point is just that the U.S.S.R. consumes by far most of its oil itself, and only a minor portion is exported. . . . But this could be changed, of course, in a matter of a few years. Investment requirements are huge, however, because the equipment is incredibly run down and outdated. . . . I think that in the next decade, Soviet oil fields will become more prominent. The Mideast won't play that dominant role anymore in the future, for obvious reasons."

The British news media have in the meantime launched a massive propaganda against Western investments in the Soviet oil sector as allegedly being a "loss." Apparently, London does not like a shift of capital investments away from Mideast and North Sea oilfields that are under firm control of British interests.

### Paralysis overcome in East Berlin

The Mideast crisis also contributed directly to the recent reshuffles in the government and at various top adviser posts in East Germany. On Aug. 16, East German Prime Minister Lothar de Maiziere decided to put an end to the protracted coalition crisis and political-economic paralysis in the country, and fired four cabinet ministers, two of them belonging to the rebellious and obstructionist Social Democrats. This provoked the Social Democrats into a second walkout, and

## German Patriots launch vote campaign

At a packed meeting in Düsseldorf, West Germany on Aug. 12, Helga Zepp-LaRouche, chairman of the Patriots for Germany party, kicked off the party's campaign to be seated in the first all-German parliament of reunited Germany. The party will be fielding a slate of 13 candidates for the elections, which will take place on Dec. 2.

Although the Patriots for Germany party is dwarfed in size by the ruling Christian Democratic Union and the opposition Social Democratic Party, it has the advantage of being the only party in today's tumultuous German political scene, which is not mired in pragmatic maneuvering and posturing for the best "position" in reunified Germany. Instead, even before the revolutionary changes in November 1989, the Patriots have been . . . role which Germany can and must play as an economic and cultural powerhouse which can lead Europe in changing the world's present course into economic depression and social cultural chaos, and war. In the exciting days of early last November when the Berlin Wall came crashing down, members . . . Patriots movement were the first to raise Lyndon LaRouche's call for making reunified Germany's capital Berlin into one corner of a great European "Productive Triangle" which could bring about unheard-of rates of economic growth—a program which is now under d . . . in many European

### Helmut Kohl's three omissions

In her address to the conference, and in the party program drafted by her—which was adopted unanimously by the delegates—Mrs. Zepp-LaRouche sternly warned

the withdrawal of their five other cabinet ministers from the government coalition on Aug. 19.

On Aug. 20, Reiner Gohlke, the head of the East German State Holding, which was established six months ago to oversee the re-privatization and modernization of the former 8,000 state sector industrial firms but which has been accused with disastrous inaction, resigned from his post. Gohlke had been unable to crack the obstructionism from the side of the many ex-officials of the overthrown communist regime that were seated in the offices of the Holding, and so his resignation was considered overdue.

Immediately after Gohlke's resignation, Chancellor Helmut Kohl had an emergency session in Bonn with the vice chairman of the Holding, Detlev Rohwedder. Their agenda

that given the grave economic crisis in the United States and the Soviet Union, a very special responsibility rests on the shoulders of West German Chancellor Helmut Kohl, to accelerate the political momentum which made German reunification possible, and to guide German efforts toward the very concrete tasks ahead. Specifically, Mrs. Zepp-LaRouche pointed out three potentially fatal omissions which the chancellor has made, and which he must rectify immediately:

First, Helmut Kohl has not had the courage to tell German citizens the truth about how grave matters are on both the domestic and international fronts. "The political class in Bonn," she said, "though well-meaning, thinks that [telling the truth] would complicate matters during the elections, and it suffers from the illusion that Germany is an 'island of the blessed,' whose unity and development can be accomplished no matter what happens in the outside world." Her party platform continues the point: "Therein lies one of the chief motivations for my candidacy and that of the other candidates of the Patriots for Germany: We promise that over the coming months we will to the best of our understanding, tell the truth about the strategic situation, and about questions which are actually motivating leading circles"—such as those British circles . . . world into a new Mideast conflagration.

Second, Chancellor Kohl and his staff have been unable or unwilling to publicly endorse, and then to begin to implement, Lyndon LaRouche's "Productive Triangle" program—an omission which has already led to many problems in East Germany which could have been avoided, such as the current mass unemployment, discontent, and popular anger, and the resulting threat of social chaos. "It is the job of the Patriots to massively intervene into the ongoing German election campaign and the erupting mass strike wave in East Germany with LaRouche's program,

and to *force* it upon the German government—if possible, even before the elections," Mrs. Zepp-LaRouche stated.

The Patriots' platform elaborates: "It is obvious that such a program can never be realized through so-called 'free market' economy. Rather, it requires a conscious decision on the part of Europe's governments, which must make this program their own. If these governments provide the political and economic framework, then an appropriate combination of public and private initiatives can take over its execution in detail. That, of course, means . . . a total rejection of every form of monetarism in the tradition of Adam Smith and of the motto 'buy cheap and sell dear.' The British and American economies are a terrifying example of where 'Thatcherism' and 'Reaganomics' lead to."

### **A cultural renaissance**

Chancellor Kohl's third and most crucial omission, Mrs. Zepp-LaRouche stated, is his failure to understand the urgent need to bring about a renaissance of classical culture, on the model of the Italian Renaissance and the Weimar classical resurgence during the time of the American Revolution. "Real progress and unity of Germany and Europe," she warned, "can only occur if the very values of humanity are being defended, preserved, and strengthened—i.e., the Christian values, with man being cast in the image of God. That is the real fight, which has lasted through the millennia, and which now has come to a head: the fight between Christianity and paganism. And if we don't win this fight, humanity is lost."

As part of that fight, Mrs. Zepp-LaRouche said that the Patriots will assist in holding a great number of cultural events and festivals which can "bring in all people, and can transmit this culture," in the spirit of Beethoven's Ninth Symphony, which has already played such an important role in the defeat of tyranny in Europe.

prominently included talks on the Mideast situation, as was leaked two days later. Shortly after that Bonn meeting, Rohwedder was appointed new head of the State Holding.

Rohwedder, a former assistant cabinet minister in Bonn before 1982, has been heading the Hoesch steel corporation in Dortmund since then, and was appointed vice chairman of the East German State Holding on July 1, when German monetary union was put into effect. He is said to have a better way with Kohl than Gohlke ever had. The chancellor apparently wanted to have someone of his best confidence at that crucial post, in view of events that may result from the crisis in the Persian Gulf. Moreover, the promotion of Rohwedder, a member of the moderate wing of the opposition West German Social Democrats, was read in Bonn as a

concession to them in return for their agreement to the new all-German election law, which the eastern Social Democrats finally approved in the parliament in East Berlin on Aug. 22. This ended a weeks-long controversy between Christian and Social Democrats that had paralyzed most of the political debate and led to a state of almost total indecision in Bonn and East Berlin.

### **Economic initiative launched, finally**

The surprising reshuffle at the Holding had immediate positive effects on decisions concerning the future of energy supply in East Germany. Crucial contracts that had been blocked for months, were unfrozen, as Rohwedder authorized the sale of 75% of the shares of the former East German

utilities sector to the three leading utility giants of West Germany, Preussen-Elektra, RWE, and Bayernwerke. Investments of close to DM2 billion will be made by the three companies in the ailing, largely lignite-coal-dependent energy sector of East Germany.

The Holding decision carried the characteristics of an emergency crisis measure, which came virtually at the last minute. Indeed, a secured supply of electricity for the industry and heating energy to the households of East Germany is a key precondition for rapid economic recovery. The signal that this obstacle is removed, will find the appropriate response among West German industrial firms.

Another long-delayed emergency measure was launched on Aug. 22, when the East German government—now a Christian Democratic minority government following the walkout of the Social Democrats—decided to launch a special DM1.5 billion credit program for state-controlled investments in transport infrastructure, electrification of rail routes, railroad track building, and highway construction.

In Bonn, Economics Minister Haussmann announced a special a new program of government incentives to firms that invest in East Germany. The program will extend the previous West German incentives for investments in the border zone to East Germany, consisting of a government-funded credit adding 23% to an invested sum, to all of East Germany over the next five years. The credit line provides a grace period of 10 or more years, at reduced interest rates. The incentives program, which also retroactively covers all investments made in the East since German monetary union on July 1, was scheduled to go into effect on Aug. 29.

Haussmann explained that the program is specifically designed to support the founding and stabilizing of middle-sized firms—the so-called *Mittelstand*. He also announced that another DM1 billion annually will be made available over the next five years to smaller firms involved in infrastructure projects on the municipal level in East Germany.

If more of these type of decisions are launched over the next few weeks, it is guaranteed that the process of German reunification will not, as certain Anglo-American financier circles hope, end in an economic and social disaster, but rather will consolidate the economic buildup of the East German and other East European ex-socialist economies. Along with certain central projects of industrial cooperation between united Germany and the Soviet Union, the most worrisome aspects of the crisis in the former East bloc can be removed before the end of this year, and first steps to also pacify the crisis spots south of Europe can be launched over the same period.

Once that is done, continental Europe can counter much more efficiently the various ploys unleashed by Anglo-American banking interests, and can thus contribute to averting the danger of a new, immensely destructive period of international warfare.

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