

Report from Bonn by Rainer Apel

Without new ideas, no new jobs

While "expert" economic forecasts come and go, the unemployment figures keep rising.

For once, German Economics Minister Günter Rexrodt (a devout follower of neo-liberal doctrines) reflected economic reality, when, on Nov. 24, he said that "a rise of the unemployment level beyond 5 million, this coming winter, cannot be ruled out." Strangely enough, Rexrodt received more criticism than support, reflecting the current state of mind of the political, industrial, and banking elites. The constant repetition of statements by prominent figures that the Asian crisis is something particularly "Asian," is far away, and does not affect the allegedly "sound" German economy, tells us that a majority of decision-makers here still have not grasped the situation, or, at best, are in a state of shock.

In every month of this year, national unemployment has been 350-400,000 above the respective month of 1996. This means, that February 1998 will top the 4.67 million officially recorded jobless of February 1997, and reach 5.0-5.1 million. This author has not been alone, since February 1997, in forecasting that. The more surprising fact is that, when Rexrodt chose to tell the truth (the first surprise), he came under widespread attack (the second surprise), and, he was even attacked by Bernhard Jagoda (the third surprise), the director of the National Unemployment Office, who should know better.

Jagoda does know better. He mocked the official agenda for the Nov. 20-21 Luxembourg "Job Summit" of the European Union, saying that it would not produce more than a lot of paper and meaningless pronouncements about the solemn EU in-

tent to "fight unemployment." In an interview with the weekly *Der Spiegel* on Nov. 17, Jagoda said that what should be resolved there instead, should "be neither new statistics or reports, but a departure to new frontiers."

"If, for example, the Europeans would agree today, to connect Moscow and Madrid, Norway, and the southern coast of Italy with a maglev train, it would bring a giant incentive for innovations and employment," Jagoda said, giving one example of such a new frontier. This was the first prominent political endorsement in Germany for a transcontinental maglev technology project, in a long time. The planned Hamburg to Berlin rail line for the German Transrapid maglev system, and possible exports of the system to other countries outside of Europe, has been the best that could be expected to come from senior figures of the German political system, in recent years and months.

As chief administrator of the several million German jobless, Jagoda knows that new waves of layoffs are on the agenda, that the national jobless figure will climb above the 5 million mark by February. The "experts" have not yet taken into account the effects of the "Asian" financial and banking crises on German exports between now and 1998.

Without grand designs for great projects that each employ tens of thousands of people, all talk about reducing joblessness is blather. The design for a maglev grid across Europe, for other big infrastructure projects and "frontier" projects of space technology, are an absolute must, as Lyndon

LaRouche and *EIR* have repeatedly insisted. Anything less than LaRouche's design of 1989, for a trans-continental "Paris-Vienna-Berlin Productive Triangle," and for the various "Eurasian Land-Bridge" proposals offered by LaRouche, will have no chance of reducing unemployment. The kinds of "small incentives" which the EU Jobs Summit decided upon, to create 50 jobs here and another 30 there, to tell the free market to act, and other impotent and discredited measures of that kind, will not reduce the current official EU unemployment of 18 million.

The EU wants to stick to the 1999 schedule for the introduction of the full European Monetary Union, with the new, single EU currency, the "euro." This, the German labor union of commerce, banking, and insurance employees has found out, will lead to a giant downsizing, eliminating 120,000 jobs in Germany in these three sectors of the economy alone. In the EU, 800,000 to 1 million jobs will be killed.

While the EU is creating 30 jobs with its "incentives," it is destroying 30,000 jobs with its monetary union project; and, this destruction will begin in 1998, before the envisioned start of the monetary union, because the banks want to be "lean and fit" by January 1999, and because many banks have heavy losses resulting from the Asian crisis, and are exposed in Asia to the tune of tens of billions of marks.

Therefore, the Rexrodt warning about 5 million jobless was a good start. What has to follow, now, are bold proposals for projects that have the potential of creating many new jobs at a time—like the Jagoda call for a maglev grid for Europe. The \$200 billion which has been spent for jobless support in the EU in 1997, could have been spent in a productive way: for big projects and several million real, new jobs.