

for people essentially too old to work and too young to die. That is how it should stay.” Rep. Thaddeus McCotter said, “I don’t favor a partial solution, especially one that will radically change the philosophy behind Social Security.” And Rep. Candice Miller was quoted saying that she was very hesitant to support any “personal accounts” bill. A fourth Michigan Republican, Rep. Dave Camp, who chairs a Ways and Means subcommittee, said of Bush’s two recently advanced privatization schemes, “I haven’t endorsed either of them.”

### President Bush’s Source Discredited

Ways and Means Ranking Democrat Rangel won an important political and psychological duel in “cross-examining” the Republicans’ star witness and the White House’s hero on privatization, Fidelity Mutual investments executive Robert Pozen, who is constantly advertised as a “Democrat with a privatization plan.” Rangel’s “mission accomplished” was marked by the repeated laughter throughout the large hearing chamber. In short order, he got Pozen to reverse himself on whether private accounts are necessary to “solve” Social Security, and to admit that some workers could lose their whole retirement with them. A sample:

**Rangel:** You know, the White House goes out of its way to identify you more by your party label, than by what you’re saying.

**Pozen:** I would hope that the White House agrees with some of the concepts of progressive indexing.

**Rangel:** Take my word for it, your name would not have been projected as much as it has, if you were not a Democrat; but I’m proud of the fact that you know how to deal with them, because we may have to come to you for communication, you know, [laughter] because we don’t know where they’re coming from or what they want to do. . . .

**Rangel:** Basically, your background has been in the investment market. Is that true?

**Pozen:** My background has been in the investment market, though I’ve worked with various nonprofits in the Boston area on a series of—

**Rangel:** When I retire, that’s what I hope to run, is a nonprofit. That’s where the real money is, you know [laughter]. . . .

**Rangel:** Now the president often talks about those people in Congress have 401(k)s and thrift accounts; and, if it’s good enough for them, it should be good enough for the American people. Do you believe the way he uses that statement that it’s accurate? Is he offering the people the same thing that we enjoy as members of Congress?

**Pozen:** I understand that you as a member of Congress have Social Security, and that the 401(k)s and IRAs would be supplemental to Social Security, so I’m not sure—

**Rangel:** That is true.

**Pozen:** Congressman, I’m not representing the President here.

**Rangel:** Well, he’s representing you! [laughter]

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## Conference Report

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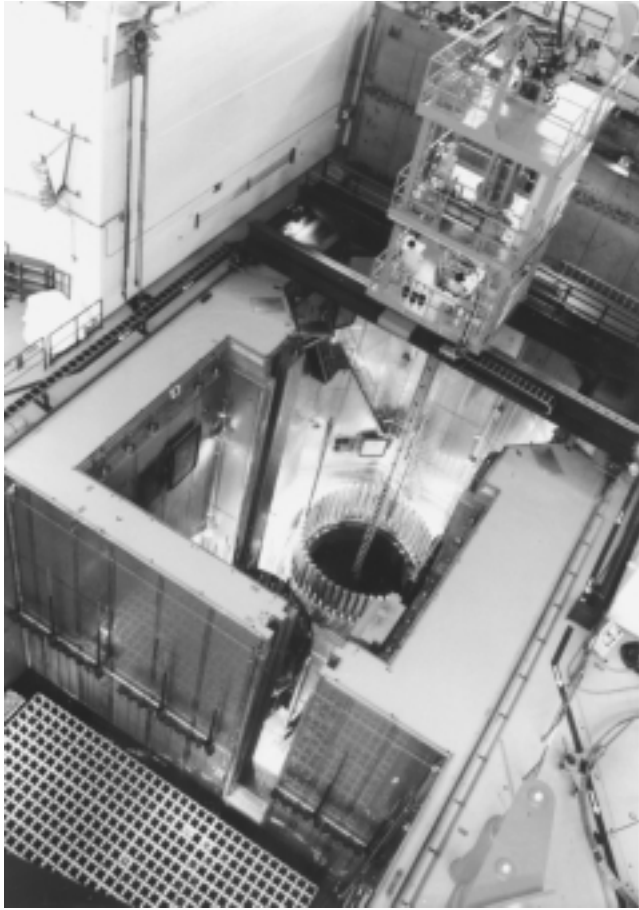
# German Labor Calls For Emergency Action

by Rainer Apel

Expectations were high at the May 11 conference on “Industrial Policy” in Berlin, arranged by the Social Democratic Party (SPD) parliamentary group for select factory councilors of German industrial firms. About 300 labor representatives from all over Germany attended the meeting. The main speakers were Franz Müntefering, national party chairman of the SPD; Michael Sommer, national chairman of the German labor federation DGB; Wolfgang Clement, the Federal Minister of Economics and Labor; and Gustav Horn, director of the DGB-linked Institute of Macroeconomics and Conjunctural Research. The meeting had been called, because more and more labor leaders are demanding emergency action by the state to protect industry from collapse, as more and more jobs are being lost to globalization. This growing political ferment has been catalyzed by a campaign of the LaRouche movement during the past eight weeks, in particular with the interventions by the LaRouche Youth Movement in the crucial state of North Rhine-Westphalia, which will elect a new state parliament on May 22.

The conference began with a guest address by Mikhail Shmarkov, chairman of the Russian labor federation, who welcomed the German-Russian reconciliation and cooperation process being launched by German Chancellor Gerhard Schröder and Russian President Vladimir Putin. Shmarkov and DGB Chairman Sommer left the meeting early, to confer on cooperation of their respective labor movements and the perspectives for German-Russian industrial cooperation.

SPD Chairman Müntefering, who has been speaking out recently against the “financial locusts” who are stripping bare Germany’s industrial economy, gave a strong endorsement of Germany as an industrial nation and social market economy, saying that a fundamental decision will have to be made now, whether Germany has an industrial future as a producing nation, or whether the future will be that designed by the anti-labor, anti-social-state views of the Christian Democrats (CDU) and Free Democrats (FDP), and their backers among the financial corporate executives and hedge fund operators. The SPD, he said, has to be the defender of industrial interests, with a strong emphasis on the fact that Germany still does have a considerable production base, and political and social peace unmatched by all other leading industrial nations.



*Loading of a nuclear reactor at a Siemens nuclear plant in Germany. The labor movement is finally beginning to speak out against the government's decision to "exit" from nuclear energy.*

## A Global Crisis

The next speech, by Sommer, was even more interesting, as he first of all stressed that Shmarkov is a man who has made sure that industrial wages in Russia are paid on time, which is a big improvement over the Yeltsin era. Then, after attacks on free-traders like FDP Chairman Guido Westerwelle and his union-busting drive, Sommer said that Germany has been, is, and will be a leading industrial nation, which produces high-quality goods for exports to the rest of the world. And, he added, "once the world economic crisis hits, once the financial markets enter the big crisis, Germany with its industrial base of 40% of total employment, will prove to be much better prepared for the shock, than, for example, Great Britain, with 18% of its workers employed in industry. Sommer said the monetarist attacks signal an emergency situation for Germany's traditional social welfare state, and he called on the labor movement to wake up and fight for the defense of that state and its achievements.

Unfortunately, this focus on the global financial crisis was

not taken up in the discussion periods and other speeches during the conference, but there was strong ferment, from among the 300 labor representatives, for substantial changes in the Social Democratic-led government's current austerity policy, such as Agenda 2010 and Hartz I-IV. Frustration and disillusionment about the political performance of the SPD and the national government in Berlin, was amply voiced. In particular, labor leaders of rail transport firms like Siemens, Bombardier, and TSGG harshly criticized the government's absence from crucial investments in the public transport sector, several of whose engineering and construction sectors are threatened. One labor representative from Siemens said it is a big mistake by politicians to think that public transport can be made an affair of the free market: It can never be, because it is by nature a matter of the common good. She asked when the government will finally begin to be a lobby for the transport sector workers, whose unemployed members alone make up 8% of all unemployed citizens.

## 'Time for Action!'

Other labor leaders asked what the government intends to do about the drastic price increases for electricity in the deregulated power sector, as prices threaten power-intensive industries like aluminum plants. And, the government was urged to act against the takeover of firms by investment groups or hedge funds, which are selling such firms to one another, with the active assistance of such dubious consulting firms as McKinsey or Boston Consulting. One factory councillor from the nuclear power plant in Biblis, in the state of Hesse, urged the government to rethink its anti-nuclear policy, in view of the need for safe energy supplies at a time of ever-rising oil prices. Another labor leader even cited the great German poet and dramatist Friedrich Schiller: "Of words there have been plenty, let's go for action now!"

Economics Minister Clement brushed off all of that, saying there will not be any substantial change in Agenda 2010 or the Hartz I-IV programs, nor would this government reverse its decision to exit from nuclear technology. Clement did vaguely hint, though, that something will be done against the hedge fund attacks against the *Mittelstand*, Germany's small and medium-sized industrial firms, in particular.

Most of the labor leaders would have left the meeting completely frustrated, had there not been the announcement that on June 13, Chancellor Schröder will address the SPD parliamentary group on the hedge fund issue. There are hopes now, that as the Chancellor is the one to decide in the last instance, Clement's remarks were not the last word on the matter, and the government will have to act. But when the Chancellor speaks, it will be almost four weeks after the defeat that is expected for the SPD in the May 22 elections—a defeat which could have been prevented, had the Social Democrats opened their ears to labor and the LaRouche movement in time.