

Geometry of World Politics Can Be Changed in Dresden

by Rainer Apel

The Oct. 2 by-election in the Dresden-I district delayed the publishing of the final vote result of the Sept. 18 national German election by two weeks, and this development may change the political line-up in the German Parliament. The three-seat advantage of the Christian Democrats (CDU) over the Social Democrats (SPD), as of Sept. 18, may be confirmed, or lost, in Dresden. And because a tiny majority will determine the outcome of the brokering between the CDU and SPD in the likely Grand Coalition government of the two parties, numerous prominent figures, including incumbent SPD Chancellor Gerhard Schröder and CDU challenger Angela Merkel, have streamed into Dresden in an effort to affect the final outcome.

But in Dresden, they were confronted by a strong campaign intervention force composed of about 60 activists of the LaRouche Youth Movement, who were determined to make sure that neither the candidate of the CDU nor of the SPD, wins that district. The LaRouche Youth backed Katarzyna (Kasia) Kruczkowski, the candidate of the LaRouche movement's BüSo party. Normally, one would say that the Dresden campaign was a showdown between the two big parties; but this was not a "normal" election, as was shown by the simple fact that a week before the Oct. 2 vote, 40% of the voters (70,000 citizens) in that district were still undecided, according to pollsters. This unprecedented ratio shows the depth of the discontent that voters had with the established political parties.

The big advantage that the BüSo has over all other parties, is its international orientation by emphasizing global economic and financial issues, and its emphasis on science and technological progress. The BüSo brought the idea of freezing oil prices through state intervention against speculators, into the campaign for the Sept. 18 election, which interested many voters, and forced the other parties' candidates to state their

views on the matter. And it is the BüSo which brought the issue of international financial speculation into the subsequent Dresden campaign, with a Sept. 23 statement on the "financial locusts" that are planning to take over the Dresden municipal housing sector (WOBA) in the same way, as they take over industrial corporations. A paper-maché locust, with the face of neo-con Angela Merkel, has become a favorite campaign weapon of the BüSo in interventions in the street demonstrations in Dresden, or in sound-car tours through Dresden residential areas.

The WOBA issue had become a central campaign issue in the Dresden election. A reflection of the extensive impact which the BüSo's anti-"locust" intervention has had, was that the National German Association of Tenants (Mieterbund) declared on Sept. 26 that the struggle for the protection of municipal housing in Dresden was "crucial for the building of a line of defense against greedy locusts also on a national scale." Leading Mieterbund officials announced that they would come to Dresden, during the last days of this election, to intervene in the political debate.

BüSo and International Politics

The environment for the BüSo was favorable: it gained a high recognition among Dresden citizens, because the "LaRouche people" answered questions of the citizens on the bigger, international issues, which all the other political parties tried to evade. This included the issue of inflation, which interested citizens very much, because their shrinking incomes, or shrinking jobless benefits, were already making their daily lives very difficult. The BüSo campaign also proposed a remedy to the crumbling, speculation-driven world financial system: the New Bretton Woods proposal of the LaRouche movement.

In a special campaign statement issued on Sept. 25, BüSo



EIRNS/Toni Kastner

The BüSo jolted the campaign in Dresden out of the usual proper constraints with this paper-maché locust, with the face of neo-con Chancellor candidate Angela Merkel, warning that “financial locusts” wanted to take over the Dresden municipal housing sector, the way they took over German industrial corporations.

party chairwoman and candidate for Chancellor Helga Zepp-LaRouche warned that 1923-style Weimar Republic inflation would return, triggered by skyrocketing oil prices caused by speculation in oil derivatives. “Dear Voters of Election District 160,” the statement said, “You’ve had painful indications of it already: Energy and raw-materials prices are exploding! And it has absolutely nothing to do with supply and demand. Rather, the explosion of prices for gasoline, heating oil, gas, and raw materials is entirely the result of massive speculation on the part of the hedge funds, the so-called ‘financial locusts.’ These hedge funds, since the Spring, have suffered huge losses as a result of the bankruptcy of the U.S. auto industry, and are now using their control over the energy and raw-materials sectors to make good these losses through speculation on a gigantic scale. When a barrel of oil is sold at \$65, for example, the profit for the speculators is \$30 to \$40! And, since the inflation in raw materials and energy prices will ultimately impact all prices, hyperinflation is now threatening.”

“Already, the rate of oil price inflation is reaching that of the Summer of 1923! Only this time, this hyperinflation is not limited to one country, as with Weimar Germany, but is affecting the entire world economy. If this speculation is not brought to a halt, there will soon be a hyperinflationary crash as in November 1923! . . . Something can be done to prevent this: The next government must set prices for energy and raw materials; the oil price, for example, at \$25-30 per barrel, and the gasoline price at about 70 euro-cents a liter. With their derivatives speculation, the hedge funds are ruining the entire world economy, and must be stopped by governments. When Federal Chancellor Schröder sought to make energy speculation the theme of the last G-7 summit, the United States and



EIRNS/James Rea

Katarzyna (Kasia) Kruczkowski, campaigning in Dresden as the candidate of the LaRouche movement’s BüSo party.

Great Britain vetoed every proposed measure. So the other governments must still work together, without the United States and Britain, to bring speculation under control.

“Regardless of what coalition forms the next government, it must bring this hyperinflationary process under control. Otherwise, there will soon be no Germany. Our grandparents can remember what happened in 1923, when the cost of a loaf of bread reached a million marks, and then a billion, and people finally lost everything. Any party that is not prepared to combat speculation, is not competent to participate in the government.

“There is a candidate who will put precisely these types of controls on speculation, on the agenda of the new Bundestag: Katarzyna Kruczkowski! Don’t vote for representatives of parties that consider speculation to be ‘free-market economics,’ or your vote will be thrown away before you have chosen at all! You can make the difference right here, in the 160th Election District, by making Katarzyna Kruczkowski your first choice for the Bundestag. Yours, Helga Zepp-LaRouche.” (The mass-circulated statement included a graphic, which compared current oil and copper prices, with inflation in 1923 Weimar.)

Paradigm Shift?

The Oct. 2 vote for the BüSo candidate for the Dresden-I district, Kasia Kruczkowski, will be a crucial indicator of whether or not the ongoing political-cultural paradigm shift away from the speculation-oriented era, towards a return of the production-oriented economy in Germany, can be consolidated. Kruczkowski campaigned for the fundamental political-economic issues, which the “established” parties have either suppressed, or have only vaguely touched upon.

In a Sept. 22 interview with the BüSo’s news weekly *Neue Solidarität*, Kruczkowski said: “Dresden can now really change the geometry of world politics. All the activists of our youth movement can now concentrate on this district for a full two weeks, explaining to the citizens why their vote for me can cause a political earthquake.” She emphasized the importance of her candidacy, along with the struggle of the LaRouche Democrats in the United States, for a return to a Rooseveltian New Deal approach on productive investments and public infrastructure development, as well as for a New Bretton Woods financial system.

She pointed out that Dresden today has only 2% of its workforce employed in productive jobs, whereas more than 50% are employed at service-sector jobs—including such questionable “services” as sex shops and movie theaters. Public administration jobs, of which there are many in Dresden, the state capital of Saxony, add another 20% to the non-production sector. “It is, after all, industry, which produces real physical value for the society. Great infrastructure projects are an incentive for industrial production,” Kruczkowski said, calling for investments into productive jobs. “That is why these investments are not inflationary.”

It is important also, she added, not only to address perspectives for the next four years—one legislative term—but rather for the next 50 years, to have the appropriate framework for large-scale international projects of infrastructure development.

The city and region of Dresden, Kruczkowski stated, is not just a spot on the map; located at a crucial junction between the grand North-South and East-West Eurasian transport routes, Dresden has a pivotal role to play in the development of Eurasia. If Dresden stands up, Germany will stand up as well, and Germany is, after all, “the economic locomotive for Europe” which will pull the continent out of the depression, Kruczkowski said in the interview.

Indeed, Dresden does have a special history as a region that pioneered in railway development, promoted by Germany’s “American System” economist, Friedrich List, in the 1830s and 1840s. Dresden is, therefore, destined to become a pioneer also for development of the Eurasian Land-Bridge transport infrastructure. With its renowned Friedrich List Institute of Transport (Logistics) Research, Dresden does have a special, particular scientific capability to contribute to this broader perspective.

Wall Street Wants To Buy Philippines—Cheap

by Mike Billington

In a blatant display of servitude to the lords of the collapsing global financial system, Philippines President Gloria Macapagal Arroyo and one of her leading economic advisors, Speaker of the House José de Venecia, travelled to New York and Washington in September to offer up the nation’s patrimony—its industries, forests, mineral wealth, and more—to the holders of the nation’s huge, unpayable, and illegitimate debt. President Arroyo presented the proposals to the United Nations, while de Venecia, one of the architects of the schemes, took their offerings to the IMF and the World Bank in Washington, with an obligatory appearance at the Heritage Foundation, a neo-conservative anti-nation-state economic think tank which advocates the types of policies which the Bush Administration is carrying out.

Their offerings came in two forms. The first is a plan to change the Constitution, called Charter Change, which de Venecia has supported for many years, as has de Venecia’s mentor, former President and infamous U.S. asset Gen. Fidel Ramos (de Venecia was Ramos’s chosen successor as President in 1998, but lost the election). The Charter Change plan calls for a Constitutional Assembly to scrap the Presidential system, and the checks and balances which go with it, to be replaced by a unicameral parliamentary system, in which both the executive and the legislative branches are run by a single party. Both the President and the Speaker have openly acknowledged that their intention is to do away with the “disruptive” voice of the opposition in the Congress, which has held back their implementation of IMF-dictated austerity “reforms.” Included in their plan for Charter Change is the elimination of Constitutional restrictions on foreign ownership of certain industries, properties, and mineral wealth.

Their second offering is a “Debt-for-Equity” swap plan, pompously proposed on behalf of not only the Philippines, but more than 100 other developing nations besides—without bothering to gain those countries’ support for the colonial scheme. De Venecia and Arroyo made very clear that they were not asking for debt forgiveness, debt reduction, or a debt moratorium, but rather that 50% of the existing foreign debt be transformed into equity in valuable Philippine enterprises.

De Venecia, during his presentation to the Heritage Foundation on Sept. 12, took pains to demonstrate how committed he was to implement Charter Change and Debt-for-Equity. Asked by *EIR* if his Charter Change proposal was aimed at meeting the IMF demand for the Philippines to eliminate Con-