

Report From Germany by Rainer Apel

It's the Economy, Herr Schröder!

They are against an Iraq war, but economic depression and bad policies drove Germans to vote against Schröder's SPD.

German Chancellor Gerhard Schröder's Social Democrats (SPD) suffered a devastating defeat in the two Feb. 2 elections for state parliament: The SPD lost more than 10% in Hesse and more than 14% in Lower Saxony. Almost a million voters deserted the SPD, half of them staying home and not casting ballots at all.

The "strike" of considerable sections of the Social Democratic constituency is related to rapidly deepening, profound discontent with Chancellor Schröder's obvious inability to improve the economic situation and reverse the drastic increase of unemployment. Officially recorded national unemployment reached more than 4.6 million at the end of January, an unprecedented increase of 400,000 from December.

Even the strong anti-Iraq war mobilization which the SPD launched during the last two weeks of the election campaign, could not turn the general trend around and prevent this massive abstention by Social Democratic voters. But without the anti-war mobilization, the disastrous would have been a much bigger one for the SPD; the meager vote they got was actually a great improvement over previous polls. More than the average figure for the vote losses, the fact that in 98 of 100 election districts in Lower Saxony, and in 46 of 55 districts in Hesse, the Christian Democrats (CDU) were ahead of the SPD, illustrates what a disaster Feb. 2 was for the Social Democrats.

The CDU, however, managed to

mobilize additional voters from latent constituencies, and got 48.3% of the vote in Lower Saxony and 48.8% in Hesse. The conquest of Lower Saxony shifts the balance in the Bundesrat, the upper house of the Federal parliament, in which the 16 states are represented, towards the CDU; so from now on, Chancellor Schröder's SPD-Green coalition government cannot pass legislation without the consent of the CDU. Crucial aspects of legislation always need approval from the Bundesrat, which has constitutional veto power against the government and the lower house, the Bundestag. Chancellor Schröder is faced with becoming a "lame duck."

But there is no natural law that determines that the Chancellor will be a lame duck. He can escape that fate, if he finally adopts at least crucial aspects of what Helga Zepp-LaRouche, the national chairwoman of the LaRouche movement's BüSo party, advised him to do, in her "Open Letter to Chancellor Schröder" in September.

In the Open Letter, she urged him to drop the insane policy of budget-balancing at the expense of labor, industry, and technology development, to walk out of the European Union's Maastricht budgeting straitjacket, and to reorient German economic policy towards a pioneering exports and technology-transfer role for the industrial development of all the countries along the Eurasian Land-Bridge.

Schröder was within direct reach of that new principle of economic pol-

icy, when he joined Chinese Prime Minister Zhu Rongji for the maiden voyage of the world's first commercial maglev train in Shanghai, a joint German-Chinese project, on Dec. 31. After his return to Germany, Schröder could have announced a reorientation of economic priorities of that kind. Instead of tax increases and unemployment, that would have sent out a strong message to the nation that there was realistic hope for a recovery through large infrastructure projects at home and abroad; exports of pioneer technologies like the maglev train; and cooperation with China and other countries for the promotion of such technologies.

But when Schröder came home, he remained vague on perspectives for maglev projects in Germany, and he stayed silent on the dramatic increase in unemployment which every serious expert expected for January. Opinion polls throughout the past weeks gave Schröder's SPD catastrophic ratings on issues of economic, social welfare, public health, and pensions. Had there been national elections in January, the Social Democrats would have ended at a devastating 26-28%, whereas the opposition Christian Democrats would have won close to or slightly above 50%.

The LaRouche BüSo party, which addressed the combination of "Financial Crash and Threat of War" in all its campaign leaflets, appearances, and meetings, visibly increased its recognition among voters, doubling and even tripling the vote it received in the last elections, in Hesse and Lower Saxony. The BüSo won 0.8% in Wiesbaden, the state capital of Hesse, and 0.5% in Hanover, the state capital of Lower Saxony. The fact that in several election sub-districts there, it reached above 1%, shows that there is good growth potential for the LaRouche movement.