France-Germany

Poland Says 'Let Me Be The Third of Your Union'

by Frank Hahn

While talk of a German-French union has been buzzing in European capitals, too little attention has been paid to an important initiative, involving the cooperation of the two nations with an eastern European partner, Poland. On Nov. 20, a conference was held in Potsdam, near Berlin, in which a French-German-Polish campaign for growth and innovation was discussed, which would surpass the Tremonti Plan for European development. Specifically, the French promoted an initiative for an investment of 150 billion euros *per year* into European infrastructure development projects.

The event was the second "Interdisciplinary European Forum for Innovation," on behalf of the "Weimar Triangle," which was founded in 1992 as the council for permanent consultations among Germany, France, and Poland. The thrust of the meeting was to demonstrate the commitment on the part of Paris and Berlin to wrest Poland out of the grip of the neo-conservative group running U.S. foreign policy. Repeatedly, the speakers stressed that "the French-German-Polish axis is the continental European key for a successful European integration process."

Mental Wealth Awaiting Investment

The chairman of the forum, Professor Standke, explained the history of the initiative: "In 1973, the committee for the implementation of the French-German friendship treaty was founded. Then in 1992, along the lines of Friedrich Schiller, it was decided that Poland join, too." (*"Ich sei, gewährt mir die Bitte,/In eurem Bunde der Dritte"*—"I would, if allowed my intention,/Become the third in your union"; the concluding lines of a famous ballad, "Die Burgschaft"—"The Pledge," by Germany's national poet.)

The core issue under debate was how to mobilize the resources of the three countries' economies, in order to launch a major growth effort. France, Germany, and Poland, combined, have 5 million students as well as 450,000 scientists active in research, which represents an enormous potential which must be developed to transform it into economic growth stimulated by innovation. Specifically, the potential

After Dying Maastricht: New Bretton Woods!

On Nov. 25, the 14 finance ministers of the European Union member governments voted 10-4 not to apply Maastricht Stability Pact sanctions against Germany, the 15th member, for continued violation of the Pact's rule that state deficits cannot exceed 3% of GDP. And in a vote on France, the constellation was the same. Afterwards, all finance ministers gave assurances that the Pact was "not dead." But the fact that the Pact is no longer alive, cannot be denied.

Behind the scenes, in a deal arranged through Italy's Finance Minister Giulio Tremonti, sanctions are off for a year, in return for a promise by France and Germany to reduce deficits in 2004 and 2005 by about 0.5% of GDP, instead of the 0.8 to 1.0% originally demanded. But everyone knows that the promise cannot be kept, because of the downward economic-financial spiral. The next official tax revenue forecast by the German commission of taxation experts, in mid-May, will show (as it has repeatedly) that all previous forecasts about the economy, the labor market, and tax revenues were wrong. Therefore, why wait until May to sign the certificate of death for the Maastricht Pact?

U.S. Presidential candidate Lyndon H. LaRouche pointed out on Nov. 26 that the foundations of the Pact, which was signed in 1992 to prevent big public sector infrastructure projects in Europe—thereby preparing the ground for a giant capital flow to support the speculative Wall Street bubble—have been destroyed by the deepening world economic and U.S. depression. Capital volumes capable of keeping the bubble intact are no longer available, and foreign investors don't have trust in Wall Street to invest huge sums of money. The apparent weakness of the U.S. real economy, the giant and ever-rising American trade deficit, and the related weakness of the dollar against the euro and other world currencies have eroded the Maastricht Pact along with all other such international monetarist agreements, and the overall situation makes an outbreak of an open dollar crisis by Christmas most likely, LaRouche warned.

Therefore, what Europe needs is what the United States needs: an exit strategy from the discredited, defunct monetarist system, to a new system, a New Bretton Woods. And it will function only if it is following the great examples of the Roosevelt New Deal, the French Planification, or the German Kreditanstalt für Wiederaufbau.

—Rainer Apel

for stronger cooperation between the Berlin region and the western Polish regions of Poznan, Wroclaw, and Szczecin, especially in science and innovations, was discussed. Several minor government-sponsored projects to support the creation of new enterprises were also presented, which, however, did not reflect the dimensions of that potential of which the organizers were speaking.

The author, representing the Schiller Institute, intervened to suggest that the participants think bigger, and, citing the example of China's ambitious infrastructure plans as well as the Tremonti Plan for European infrastructure development, emphasized the need for very large investments to be made. In response, French Senator Laffitte gave a highly spirited statement, referring to a proposal he had made in Paris. "Back in September," he said, " I presented a program to the French Senate to invest largely in building up enterprises for innovative technologies. The question is, how to finance it?" Laffitte suggested imitating the United States, which "lives on credit," by going into debt to finance such plans. Concretely, he went on, "I propose, that the European Investment Bank (EIB) borrow money on the market in the order of 150 billion euros per year to invest in high-speed trains, space programs, electronics, nanotechnologies, and nuclear energy." Laffitte reported that he had "talked to the representatives of the EIB, and they confirmed they could start within one week, once such a decision had been made!" Then he called for a media campaign to mobilize the European public to support such a technology-based growth program.

First on the Scale of Zepp-LaRouche Plan

The proposal is significant. Although going to the international markets to raise funds is not the solution—whereas governments generating sovereign credit, is—this is the first time that anyone has approached the sum that Helga Zepp-LaRouche, of the Schiller Institute, has demonstrated is required for investments in European development, and specifically in these "science- and technology-driver" sectors of the economy. One problem, which the Senator noted in private discussion, is that the Germans were hesitating with such an approach because of the Green Party, which is ideologically opposed to development.

A former state secretary from Berlin called for Europe, following the collapse of the New Economy, to develop a "masterplan for innovation" to turn Europe into the number-one economy in the world by 2010. He remarked that, just as millions of Chinese who are studying in the United States will go back to China to develop their country, so, too, Europeans should be encouraged to return to their countries. This, he said, requires adequate scientific investment.

In addition to the economic dimension, a strategic aspect was also included. Senator Laffitte proposed to integrate Poland into French-German programs of military research, which, he implied, would help break Poland away from U.S. neo-conservatives.

Dominican Republic: In The Eye of IMF Hurricane

by Jorge Luis Meléndez Cárdenas

Those poor Heads of State attending the XIII Ibero-American Summit Nov. 14-15 in Santa Cruz, Bolivia, just couldn't escape reality. Not only had their host government hastily taken office less than a month before, after mass protests against International Monetary Fund (IMF) policies drove its predecessor out of office; but the first speaker to address them was Hipólito Mejía, the President of the Dominican Republic, who just three days before had ordered the military out against a national strike against those same policies. This crude repression had left nine dead, but done nothing to stop the strike; its organizers announced more actions to come.

The Dominican Republic provides a classic case of the political and physical disintegration to which the IMF's neo-liberal privatization policies inexorably lead. The national strike which took place on Nov. 11 became a plebiscite against those free-trade policies, surpassing by far the expections of the community groups and trade unions which organized it. Organizers had not used their typical trade union slogans, but instead had attacked the economic model by its name: neo-liberalism.

The strike was successful, despite the fact that days before it occurred, the country was largely militarized, strike organizers persecuted, and many of them jailed. By the end of the strike, despite it having been largely peaceful, nine people had been killed, more than 50 wounded, and more than 500 detained.

The center of national discussion in the Dominican Republic today revolves around the wretched economic reforms imposed by the IMF and its local representatives, which have accelerated the destruction of living conditions of the Dominicans over the last eight years, in particular. This discussion will determine the Presidential elections which are scheduled for May 2004. The population looks for a programatic alternative to bring about a recovery; and in this, the spirit of Lyndon LaRouche, the U.S. Democratic Presidential candidate well-known in the Dominican Republic, will be present.

A Typical Case of IMF System

What has happened in the country which has brought it to such a dramatic situation?

The Dominican Republic was one of the few countries