

Democrats in the United States, so the catalyst for a change in Germany is the German LaRouche movement and its Civil Rights Movement Solidarity (BüSo) party.

Helga Zepp-LaRouche, the national chairwoman of the BüSo, on June 14 announced her candidacy for Chancellor, in the Fall elections (see her statement, below), and a lot of leafletting, e-mailing, and other contact work is being done now, by the LaRouche forces into the SPD and its constituencies. In Berlin on June 13, as Schröder was speaking, LaRouche Youth Movement organizers were talking to participants, handing out programmatic leaflets and other material.

It is from within the labor movement, that economic issues, such as the hedge-fund problem, are being addressed much more aggressively than within the SPD. The labor unions are hammering away on the issue of a state-run incentives and employment program. A 28-page programmatic platform was published by the German Labor Federation (DGB) on June 8. Under the title, "Shaping Germany Socially," it calls for an increase of public sector investments to 2.5% of GDP annually (from only 1.4% presently). The money, which with a GDP of now 2.2 billion euros would then be in the range of 50-55 billion euros, would be spent on projects of science and research, social and health infrastructure, but also transport infrastructure.

The memorandum calls for an anti-speculation tax, for much tighter controls of hedge funds than those announced by the Chancellor, and for a "new financial architecture," with the central banks entering agreements on stable currency exchange rates to build a wall against speculative attacks. The DGB urges the German government to take a leading role, among G-8 nations, in the promotion of such an arrangement.

Thus, the labor unions made a step forward, with the potential of joining the campaign for a New Bretton Woods (a term not used by the DGB, though); this step still is to be made by the SPD, but the labor base of the party may help the Social Democrats to soon make this long-overdue step.

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Helga Zepp-LaRouche

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## Why I Must Become Germany's Chancellor

*In the immediate aftermath of German Chancellor Gerhard Schröder's June 13 speech on economic policy, Helga Zepp-LaRouche, the leader of the Civil Rights Movement Solidarity (BüSo) party in Germany, declared that she will run for Chancellor in the expected September national elections. Her full statement follows. Subheads have been added.*

Much of what Chancellor Schröder said on June 13 at the so-called Capitalism Congress of the Social Democratic Party, was good and urgently necessary to have been said: that a strong state must defend the common good of all in difficult times, that certain neo-liberal powers have spoken with sophisticated fraud of a "new social market economy," and in reality, wanted to lay an axe to the root of the social state, and that he, Chancellor Schröder, would insert himself on the international level so that the hedge funds would be compelled, through registration requirements, to be transparent. So far, so good.

The problem lies in what he did *not* say: namely, that the Common Good can only be defended under the currently exploding systemic crisis, if the government begins with a state investment program of at least 200 billion euros this year alone, and then continues this on a yearly basis, in order to again reach productive full employment. The other thing the Chancellor also said nothing about was the dramatic collapse of the international financial markets, and the resulting necessity for a new financial architecture, a new Bretton Woods system. And as I announced in my declaration of June 10, in the event that Schröder fell short of what's required on these two points, I hereby officially declare that I will participate in this crisis situation, as a candidate for Chancellor in the coming Federal elections.

### The Real Problem

Because the situation could hardly be more dramatic: Already, on the next day, June 14, the whole gamut of the financial press, from the [London] *Financial Times*, to *Handelsblatt*, to the *International Herald Tribune*, to the [Swiss] *Neue Zürcher Zeitung* as well as admitted publicly what, until then, was only insider knowledge among financial circles and governments. Namely, that a bloodbath had played out among the "locusts," the so-called hedge funds, in the first half of May, and that its systematic effects are now rushing forcefully toward the surface. As a result of the fact that General Motors and Ford had been downgraded to junk bond status due to their hopeless over-indebtedness, the hedge funds who were speculating in these bonds have lost, according to the statements of market participants, up to 40 or 50% of their capital. The dynamic of accumulated risk has again brought a whole series of international investment banks to the edge of going under, a situation which cannot be hushed up much longer due to its huge dimensions.

Thus, when the Chancellor spoke about the necessity for transparency for the operations of the hedge funds, he did so naturally with the knowledge of the real situation of this mega-speculation; and therefore, I simply cannot let pass unchallenged, his statement that the debate over economic systems is definitively closed, thanks to capitalism's ability to adapt to change. Indeed, I venture the forecast that the world is not going to want to see or hear more about the "impressive dynamic of capitalism," once the first victims



Claudio Celani

*Christian Democratic Union Chairman Angela Merkel, running for Chancellor: "Progress Is Going Backwards."*

among the hedge funds, and possibly the big banks, become known.

It's happening exactly as I had warned at the end of 1989 and beginning of 1990, in my many speeches in east and west [Germany], that if one made the mistake of covering over the bankrupt system of the G.D.R. [East Germany] with the essentially equally bankrupt system of unbridled free market economy, in a few years an even more powerful collapse would come. We now find ourselves today exactly at that point.

The communist system became extinct because it neglected the existential needs of mankind; the system of the so-called free market and globalization is going under not only because it has destroyed the economic basis of a considerable portion of the population of Germany and a great part of the world population, but also because it has undermined the moral basis for society. The paradigm of the egoistic society of speculators and of the post-industrial fun-society, has undermined the moral core of the population to such a degree that many people are now in an amazing situation of denial of reality, and are generally not at all prepared for what is about to happen.

When the communist system began to disintegrate in 1989, many spoke rightly of the great historic opportunity of 1989. And indeed, the world witnessed a glorious hour for mankind, in which the demise of a superpower could have meant the opportunity to fully establish a new peaceful order in the world, and to pull together an entente of sovereign

nations through a common development perspective. I and my organization then laid on the table the program of the "Productive Triangle Paris-Berlin-Vienna," and from 1991 on, the concept of the "Eurasian Land-Bridge." But the historic opportunity was stymied by the "New American Century" doctrine of the neo-cons of the Bush, Sr. Administration, by Thatcher's "Fourth Reich" campaign, and by Mitterrand's blackmail to tie down Germany with the earlier currency union, to name only a few of the factors.

Now it's happening exactly as I warned back then: The global so-called free market system is going under. In this crisis lies the opportunity to establish a new just economic order, which would make possible the survival of all nations on this planet, but only if we learn the lessons of 1989.

### **The Way Out of the Crisis**

Nevertheless there does remain one alternative: The most important governments must immediately convene an emergency conference, and, in the tradition of Franklin D. Roosevelt, establish a New Bretton Woods system. The completion of the Eurasian Land-Bridge as the programmatic basis for a new order of peace is still, as before, the way out of the economic crisis. Germany can only be a social-welfare state, if we again achieve productive full employment through a new industrial policy, invest in modern technology in Germany itself, and help develop growing export markets with ever richer clients. Thus, only a state investment program of at least 200 billion euros, this year as jump-start financing, and then, as long as necessary, 200 billion yearly, can again build up the scientific, technological, and industrial capital which the neo-liberal regime of globalization has destroyed.

Neither communism's planned economy nor the neo-liberal free-market economy can assure the existence of society, but only the system of physical economy, which goes back to Leibniz, and which proceeded from Colbert, Alexander Hamilton, Friedrich List, the two Careys (the advisers of Lincoln), Count Witte, and FDR, and which has been further developed by my husband Lyndon LaRouche. Once again, the cognitive potential of mankind must stand at the center of economic policy. Therefore, we must again turn back to our Classical tradition in science and culture, since they alone advance the creative faculties of mankind.

Because these concepts are indispensable, if we want to come out of this now unfolding crisis, and because CDU chairwoman Angela Merkel represents the exact opposite, and Federal Chancellor Schröder only represents a few aspects, I hereby declare my candidacy for Chancellor. The defeatism with which members of the German Social Democratic Party came out of their election defeats, is intolerable. What would Germany become, if we, in this situation, had Angela Merkel as Chancellor?

I will do everything possible to ensure that this Schiller year will be just the opening of a true Schiller Era.