

cheese-gathering cosmonauts.”

The process of recruitment of the destructive “young reformers” was also described in general terms by the Russian State Duma’s chief economist, Sergei Glazyev. Glazyev, himself a veteran of this process at IIASA, and in the first cabinet of independent Russia from 1992, rejected the entire IIASA-spawned economic strategy, and denounced it in his book, *Genocide*.

“Vyacheslav K.” describes Andropov’s strategy—in the setting of economic hardship and food rationing in the Soviet Union after the late-1970s plunge of oil prices—as a strategy for the Soviet Union “as a huge corporation, financially independent, economically sustainable, and possessing a huge technological potential, concentrated in military industry. All this, unlike the West, the U.S.S.R. could deploy in a decisive place at a decisive moment. Andropov’s idea was to convey modern technologies to Russia’s industrial corporations, which would be allowed to attract foreign investments.”

The *Stringer* article then characterizes the recruitment of the Kindergarten: “Andropov made a decision to develop economists for ‘Corporation U.S.S.R.’ from scratch, and outside the country. The function of ideological control was, definitely, assigned to the KGB apparatus. . . . As a base for foreign training of economists, Andropov selected IIASA [in Vienna]. No wonder the young cadres, deployed to Vienna, immediately came under influence from well-trained foreign intelligence ‘specialists in management.’ That was a real struggle between Soviet and Western minds.

They Threaten Control Still Today

“As a result of a strict selection, during which some of the students left the experiment on ethical grounds, getting bored with permanent manipulation, the team of those who completed their education on the base of IIASA [and its Moscow branch], included persons such as Pyotr Aven, Anatoli Chubais, and Yegor Gaidar. . . . The resulting team ruined the Russian economy, with a great energy and a firm grip of persons brought up in the Stalinist tradition. That was a direct result of Andropov’s personal influence: Andropov was a pupil of Kuusinen, who was supposed to become the leader of Soviet Finland after the planned victory which did not happen.”

The author speculates on the degree of Andropov’s awareness of “the consequences of the process he launched.”

It is relevant that the publication of this notable exposé in *Stringer*, coincides with indications of a renewed offensive by Anatoly Chubais and his allies; and with new indications that Russia’s industrial economy is again threatened with shrinkage, after several years of scrambling to reach some semblance of its previous production levels. Chubais is now head of UES, the national electric grid. He and his circle are attempting to exert more control over Russian economic policy today, as for example with the latest shake-ups in the Russian government.

New German Data End Election Economic Fakery

by Rainer Apel

It is an election year in Germany; the government and a good part of the establishment are showing a stronger than usual tendency to cover up the real situation of the economy. But too many facts have made it through the censorship of the official statistics, over the recent days, to make the manufacture of rose-colored propaganda an easy job for the Social Democratic government of Chancellor Gerhard Schröder. With the voting for national parliament, the Bundestag, only seven months away, the government’s reputation has been badly shattered by the latest data on joblessness, industrial output, and industrial investment.

The unemployment situation is especially problematic for the Chancellor. In his election campaign four years ago, he bragged that he would cut joblessness (then officially at nearly 4 million) by half; moreover, that he “would not deserve to be re-elected, if there was no success on that front.” The Chancellor regrets that pledge, because with the national jobless figure at 4.32 million for February, he is constantly reminded by other people of what he said back in the Summer of 1998.

In the three months since November, national unemployment has increased by a net 700,000. And it keeps increasing—that has to do with a chain of reaction which starts with reduced industrial revenues and investments, continues with short-work, and ends with real layoffs. One-third of all companies plan to reduce their workforce this year, a survey done by the industrial chamber of the southern state of Bavaria shows. The survey, based on data provided by some 3,500 Bavarian firms, is especially indicative, beyond Bavaria, because on a national German scale, that state has for years had the lowest jobless rate in the country.

Real Economy Plunging

That the depression crisis has finally begun to hit the Bavarians, is important for Germany also from the electoral standpoint. The main establishment challenger to Schröder is Christian Democrat Edmund Stoiber, the State Governor of Bavaria. He will find it difficult to advertise his “Bavarian way” as an example for the rest of Germany, from now on.

Keeping in mind that the “D-word” is still a taboo dominating most of the economic debate in Germany, the fact that the Federal Statistics Office, on Feb. 27, made it official that the economy has “definitely entered a recession,” is really an acknowledgment that Germany has fallen into depression. The report by the office for the fourth quarter of 2001, shows

a drop in GDP by 0.3% from the third quarter. Even the most pessimistic among the pro-government “analysts” had forecast only a 0.2% drop.

These figures may not seem spectacular at first sight, but they are, because if one removes the inflated data for the speculative financial markets and the “new economy” in general, one finds these figures in the report: Construction dropped by 4.5% in the fourth quarter; and the production of machines and industrial facilities fell by a full 10.6%. If one looks at a company such as Thyssen-Krupp, a leading producer of steel and machinery, these data even better dispell the illusion: During the last quarter of 2001, the company sold 16% less steel than during the same quarter a year before, and because of that, the company invested 23% less in new machinery for steel production. Steel, machines, and materials have been loss-making divisions of Thyssen-Krupp, and as it is a leading producer of auto parts, another such loss-making sector is being added to the list, for 2002.

What could have helped Thyssen-Krupp compensate for these losses on the domestic and export markets, would have been for the German government to clearly say “yes” to magnetic-levitation transport infrastructure projects in Germany. The company is the leading manufacturer in the industrial consortial group that produces the Transrapid magnetic-levitation train. But the “red-green” government of Chancellor Schröder has let fully 13 months pass, after the spectacular signing of the contract to construct the first commercial maglev route in late January 2001: the project in Shanghai, 10,000 kilometers from Germany.

Reluctantly, Berlin finally announced on Feb. 23 that it was willing to co-fund two minor pilot projects for the Transrapid in Germany (78 kilometers of track connecting seven big cities in the state of North Rhine-Westphalia, and 32 kilometers of track between the Bavarian capital, Munich, and its international airport). And even then, the Munich municipal government—a red-green coalition of Social Democrats and the Green Party which mirrors the Chancellor’s government—voted against the project!

Munich’s strange argument against the maglev rail project is suicidal in Germany’s current economic fall. It is that 1) the German government has no money for such projects; 2) the state of Bavaria has no money, either; and 3) the municipality of Munich has no money at all. The fact that a maglev project would create new jobs in Munich, apparently is of no interest for the red-greens there. And even the Greens in the Bundestag want to block funding for the two projects announced by Transport Minister Kurt Bodewig on Feb. 23. If this kind of sabotage prevails, there is no hope for the industrial nation of Germany to survive the economic depression—it will not be able to create new jobs.

Faked Unemployment Statistics

The government is fully aware of that, actually: It just tried to reform the unemployment statistics, introducing a



In his last election campaign, Chancellor Gerhard Schröder said that he “would not deserve to be re-elected,” if he didn’t cut the jobless rate by one-half. Now, he is being forced to eat his words, as unemployment continues to rise.

new category of “people not seriously looking for a new job.” The government’s experts conveniently want to place “up to 1.5 million Germans,” all without any work, into this dismissive category, so that “real” unemployment would be at “only” 2.8 million. The attempt at manipulation was too obvious, however, and an instant national outcry has convinced the Government to drop the plan until after the election.

But if the present government were to be voted out, and replaced by one led by challenger Stoiber, the German economy would by no means come out of its troubles; Stoiber’s program is a neo-liberal, monetarist one, as well.

The real alternative is posed by a third candidate: Helga Zepp-LaRouche, Chancellor candidate of the Civil Rights Movement-Solidarity (BüSo) party. Zepp-LaRouche plans an orderly bankruptcy procedure for the present, budget-cutting depression regime, a large-scale industrial remobilization in a productive environment created by arranging, with other key nations, a New Bretton Woods monetary system dedicated to fostering hard-commodity trade and infrastructure investment. A national maglev grid of about 5,000 kilometers which would connect all cities above a population of 100,000 in Germany, is a prominent item in the BüSo election campaign platform. Production of the trains for that, would enable firms like Thyssen-Krupp not only to survive, but to increase its present workforce of 190,000 by at least 50,000.