

Exposed! The anti-German plot behind the 'euro'

by Elisabeth Hellenbroich

The German weekly news magazine *Der Spiegel*, in its April 27 edition, published explosive documentation of how Chancellor Helmut Kohl was forced to agree to join the European Monetary Union (EMU), as the price for German reunification. Titled "Darkest Hours," the *Der Spiegel* article is based on selections from classified documents released by the German government. The full documents will be published on July 7.

The facts about how the monetary union and the euro came to be, revealed by *Der Spiegel*, confirm what *EIR* and Lyndon and Helga LaRouche have said again and again, since the beginning of the 1990s: German reunification, which became possible with the fall of the Berlin Wall on Nov. 9, 1989, was linked to geopolitical conditions, imposed at the urging of England and France, part of which was that the German Chancellor had to surrender the deutschemark — and German sovereignty — in favor of the new European currency, the euro.

The *Der Spiegel* article is political dynamite, appearing on the eve of the special summit meeting of the European Union in Brussels on May 2-3, at which the EU heads of state and finance ministers are supposed to consolidate the final march to adoption of the euro on Jan. 1, 1999. Among the resolutions to be passed are 1) the final and binding decision on which countries will form the EMU; 2) the announcement of fixed exchange rates of the currencies of the EMU countries for the remaining eight months until the start of the EMU in January; and 3) the hotly contested decision on who the president of the European Central Bank will be.

But, just at the point when the geopoliticians think they have the euro all neatly tied into a package, the dramatic effects of the world financial crisis are becoming evident, not

only in Asia, but also in Europe. The stock market bubbles in the U.S.A. and Europe will in all likelihood burst during the second quarter of 1998, ushering in the next phase of the world financial crisis. The center of the next round of systemic shocks will shift to the United States and Europe, but the "Asia crisis" itself will also intensify.

The EMU would also be drawn into the world financial crisis as a consequence of these developments. In the coming months, currency speculators will target the exchange rates agreed upon between the 11 EMU member countries. Price-inflation of bonds and the bursting of the European stock-market bubble will intersect with the effects of the Asia crisis and hit the European physical economy directly, while the political opposition to the EMU and, in parallel, against rising unemployment, will also increase. An indication of this opposition appeared in the April 16 *Die Woche* when French Interior Minister Jean-Pierre Chevènement compared the EMU to the "sinking *Titanic*," and warned about the disastrous social consequences it would have.

According to *Der Spiegel*, "special interests of state" were what induced Chancellor Kohl to take the unprecedented step of ordering the release of such classified documents while he is still in office. Such documents are usually kept out of public view for 30 years. The report in *Der Spiegel* throws light on the bitterly waged debates, both behind the scenes and in the German government, concerning the euro. The louder the incantations in support of the euro become, the more disastrous the effects of this geopolitical stunt appear to Kohl himself. And, looking ahead to the end of his reign, it now seems as if Kohl wants to procure some political "insurance." It is as if he wanted to say: If the euro fails, then the generations which come after me should know that I was against it from



President George Bush and Prime Minister Margaret Thatcher in 1991. Documents recently declassified by German Chancellor Helmut Kohl shed new light on how the European Monetary Union was launched to prevent the emergence of a powerful, reunited Germany. The documents emphasize the role of France's President François Mitterrand, but, as EIR has shown, Bush and Thatcher had the same geopolitical goal.

the beginning, and that it was due to political pressures that I was forced to agree to it.

How deeply the discomfort is in circles of the German financial elite, and especially at the Bundesbank, may be gleaned from a remark of the president of the Bundesbank, Hans Tietmeyer: "A failure of the monetary union might be a drama," he said, "but its success under 'unstable conditions' would be a tragedy" (quoted in Hans Lothar Merten, *Der Euro*, Europaverlag, Vienna, 1997).

Geopolitical poker

According to *Der Spiegel's* account, Kohl had no intention whatsoever of giving up the deutschemerk in 1989. He was just as reticent about extending the European Monetary System, beyond the EMS I framework that had been created in 1979 by Chancellor Helmut Schmidt and French President Valéry Giscard d'Estaing. Kohl's position was that a "political union" was the prerequisite for the unification of monetary policy in Europe, and not the other way around. In 1988, a committee was formed under the leadership of France's Jacques Delors, with the aim of working out plans, but without making precise stipulations and without a fixed time-frame.

The situation changed abruptly with the political revolution in East Germany in 1989. During a working visit in Paris on Oct. 24, 1989, one week following the resignation of East German head of state Eric Honecker, French President François Mitterrand make unmistakably clear to Chancellor Kohl, according to *Spiegel*, that he wanted a decision in favor

of Monetary Union, and thus also the end of the German mark, at the European Community (EC) summit meeting in Strasbourg in December. "The French see this as the only reliable way to get the Germans under European control," as the confidential government document reads. "For Mitterrand, tying the German currency to Europe is the decisive factor for his agreeing to reunification."

Then, on Nov. 9, 1989, the Wall fell. Mitterrand called a special EC summit in Paris for Nov. 18, where he repeated his demand for the extension of the Monetary Union without delay, and also indicated that, were that not to happen, France would oppose the idea of a German confederation (at that point, reunification was not even under public consideration).

In a letter to Mitterrand dated Nov. 27, Kohl described his reservations about a Monetary Union and indicated that he wanted to postpone the demise of the deutschemerk for as long as possible. His proposal was that the European Council, which was to convene in December 1992, should merely identify the steps which could be initiated on the way toward an eventual economic and monetary union.

Mitterrand reacted rather frostily to Kohl's proposal. He sent a reply, dated Dec. 1, 1989, in which he categorically demanded "that we come to decisions in Strasbourg which unmistakably obligate us to the path of economic and monetary union." The negotiations over a future European Monetary Union, as Mitterrand envisioned the process, should be basically concluded in 1990, then followed by an EMU Treaty, which could be initialled in 1991 and ratified by 1992.

The assassination of Herrhausen

On Nov. 30, 1989, Kohl's closest adviser on economic matters, Deutsche Bank's Alfred Herrhausen, was assassinated ostensibly by the Baader-Meinhof Gang/RAF (see p. 36). The hit occurred three days following Kohl's public endorsement of the formation of a German confederation, without his having previously obtained the agreement of Mitterrand and British Prime Minister Margaret Thatcher for that step. The murder of Herrhausen, who had called for a Marshall Plan for the economic reconstruction of eastern Europe, following the fall of the Berlin Wall, and who was also among Kohl's closest friends, may well have been the blow which led Kohl to his change in attitude toward the euro.

At the summit meeting in Strasbourg on Dec. 9, 1989, Kohl ultimately gave in to Mitterrand's demands and committed himself to the timing Mitterrand insisted on for the European Monetary Union—contrary to his oft-asserted reservations. Kohl called this “the darkest hour in my life,” and, on Dec. 12, he told U.S. Secretary of State James Baker III, according to a government protocol reported by *Der Spiegel*, that he had made his decision “contrary to German interests.”

The *Spiegel* documentation provides only part of the picture. Look at it together with the analysis of historian Detlef Junker, on the policy of the U.S. Bush administration at that time, and also with Thatcher's account in her memoirs.

In an article published in the German daily *Frankfurter Allgemeine Zeitung* on March 13, 1997, the director of the German Historical Institute in Washington, D.C., Prof. Detlef Junker, wrote that, when the Berlin Wall fell, “President Bush, Secretary of State Baker, and a comparatively small group of associates, formulated the classical triad of American policy toward Germany in the 20th century: German unity, containment, and integration.” According to Junker, had the United States at that time rejected the reunification of Germany, this would have meant the end of its role in European politics. The strongest “rejection front” at that time was represented by Thatcher, “that lady with the purse . . . who equated British interests in the year 1990 with the glory of the victorious powers of 1945 and the division of Germany.” And, it was she—as Kohl himself revealed in a speech in Leipzig on April 30—who told Kohl privately at the Strasbourg summit in December 1989, “We beat you twice, and here you are again.”

England pulls the strings

Indeed, Thatcher's memoirs, *The Downing Street Years* (New York: HarperCollins, 1993), provide a clinically interesting insight into the geopolitical manipulations of British power politics under Thatcher, who said frankly, to Bush, Mikhail Gorbachov, and Mitterrand, long before the fall of the Berlin Wall, that England would under no circumstances

accept German reunification. During 1989, an hysterical propaganda campaign was carried out in the British media, warning that a “Fourth Reich” was being born, and equating Kohl's policy with the ambitions for hegemony of Adolf Hitler.

To be sure, England was nominally against the euro. But in the chapter on “The German Question and the Balance of Power,” Thatcher also warned that Germany would take a leading role in a federated Europe, “for a reunited Germany is simply too big and powerful to be just another player within Europe. Moreover, Germany has always looked east as well as west, though it is economic expansion rather than territorial aggression which is the modern manifestation of this tendency. Germany is thus by its very nature a destabilizing rather than a stabilizing force in Europe. . . . Only the military and political engagement of the United States in Europe and close relations between the other two strongest sovereign states in Europe—Britain and France—are sufficient to balance German power.” This was Thatcher's geopolitical credo, and it remains the determining factor in British foreign and economic policy down to the present day.

In September 1989, during a visit in Moscow, Thatcher informed Soviet President Gorbachov, that England did not at all desire a reunification of Germany. She told him that she had discussed this issue “with at least one other Western leader, meaning but not mentioning President Mitterrand. Mr. Gorbachov confirmed that the Soviet Union did not

Clinton to visit Germany

President Clinton will visit Germany on May 13—an excellent opportunity to relaunch the “special partnership” he established with Chancellor Kohl in 1994, to the consternation of the British.

On the occasion of the 50th anniversary of the Berlin airlift, Clinton will give a speech from a DC-3 airplane used in that heroic effort, which will be called *The Spirit of Berlin*. President Clinton and Chancellor Kohl will meet together in Potsdam, after which Clinton will give a speech at the Berlin Schauspielhaus. On May 14, Clinton and Kohl will visit Eisenach (Bach's birthplace) and Wartburg.

The two will then proceed to the Birmingham summit of the Group of Seven (plus Russia), which begins on May 15. According to the *Frankfurter Allgemeine Zeitung*, Clinton and Kohl will put the world economic crisis, and especially the Asia crisis, at the center of the G-7 discussion.

want German reunification either. This reinforced me in my resolve to slow up the already heady pace of developments.”

Reacting to the developments of Nov. 9, 1989, and immediately before the EC summit meeting called by Mitterrand in Paris for Nov. 18, Thatcher sent President Bush a message “reiterating my view that the priority should be to see genuine democracy established in East Germany and that German reunification was not something to be addressed at present.”

In her speech at the EC summit on Nov. 18, Thatcher said that “any attempt to talk about either border changes or German reunification would undermine Mr. Gorbachov and also open up a Pandora’s box of border claims right through central Europe. I said that we must keep both NATO and the Warsaw Pact intact to create a background of stability.”

Thatcher discussed the same issue with Bush at Camp David on Nov. 24: “I was very keen to persuade him of the rightness of my approach to what was happening in the crumbling communist bloc. I reiterated much of what I had said in Paris about borders and reunification and of the need to support the Soviet leader on whose continuance in power so much depended.”

The British Prime Minister was surprised and upset, as she writes in her memoirs, when Kohl laid out his ten-point plan for the future development of Germany, in his famous government declaration before the Bundestag on Nov. 28.

At that time, Kohl proposed to create “confederative” structures between the two states in Germany. The Germans in the East had to be given the chance to determine their own future. They did not need foreign advice for that. That was also true of the question of the reunification of Germany, said Kohl. At that time, the only hope that Thatcher saw, was in the creation of a political axis between Great Britain and France. She saw the opportunity to do that at the EC summit in Strasbourg, in December 1989, in the course of which she met twice, privately, with the French President, “in order to talk about our views on the German question.” Mitterrand, likewise upset about Kohl’s ten-point plan, said at that time that Germany had never in its history found its true borders, for the Germans, he said, are a people always on the move and changing. Writes Thatcher: “At this I produced from my handbag a map showing the various configurations of Germany in the past, which were not altogether reassuring about the future. We talked about what precisely we might do.”

In the past, Mitterrand said at the time, in moments of great danger, France had always developed a special relationship to Great Britain; he now had the feeling that such a time was upon France again. The two countries would have to come closer and remain together, and, in Thatcher’s words, “it seemed to me that although we had not discovered the means, at least we both had the will to check the German juggernaut. That was a start.”

When the British plan to sabotage the reunification of Germany failed, British foreign policy in the following years staked everything upon destabilizing the European continent by means of bloody wars such as that in Iraq and in the Balkans. Those forces seeking to foster the economic development of eastern Europe were to be contained. The debate over the euro, toward which England adopted a skeptical attitude from the outset, was turned into a political instrument. While British politicians such as Sir Leon Brittan spread the line in Europe that the euro has to be played against the dollar and establish itself as a leading currency in the world, the British oligarchy also looks upon the euro as a geopolitical tool with which to destroy the sovereignty of European countries and to subject their economies to a monetarist policy influenced by London’s financial interests.

The euro would then become England’s political Procrustean bed—explained thus in a German dictionary of foreign expressions: “From the ancient Greek legend about the thief who pressed unsuspecting wayfarers into a bed by hacking off protruding limbs or pulling at limbs that are too short. In general: an unpleasant situation into which a person is forced by violence.”

Documentation

The British strategy against German unity

LaRouche Exploratory Committee, from a leaflet issued in October 1993, during LaRouche’s campaign for the Presidency, titled “LaRouche Was Right All Along! Maggie Thatcher Confesses: ‘I Did All I Could to Save the Iron Curtain’ ”:

Oct. 12, 1988: LaRouche, in a press conference in Berlin, forecasts the near-term collapse of the Soviet empire and the reunification of Germany.

September 1989: Thatcher hits the panic button as East Germans flee, according to a preview of her memoirs in *Corriere della Sera*. Thatcher’s fear was “that behind this chain of events lurked the perspective, or rather, the specter of a unified Germany.”

Oct. 31, 1989: *Times* of London article, “Beware of Reich Resurgent,” by Conor Cruise O’Brien, screeches that a reunified Germany will lead to a Fourth Reich modeled on Nazi Germany. “German reunification is now inevitable. We are on the road to the Fourth Reich: a pan-German entity, commanding the full allegiance of German nationalists and consti-

tuting a focus for national pride.”

Nov. 9, 1989: The Berlin Wall falls, as millions jubilantly celebrate the downfall of communist totalitarianism, with Beethoven’s “Ode to Joy.”

Nov. 10, 1989: LaRouche welcomes the fall of the Berlin Wall, and issues a proposal for “rescuing Poland,” and also East Germany, starting with construction of high-speed rail and magnetic levitation railroad lines, “with emphasis on the artery of rail transport from the vicinity of Paris, France, through Germany and the eastern zone of Germany, presently the G.D.R., into Warsaw, Poland.”

Nov. 12, 1989: *Sunday Times* of London wails that the Berlin Wall collapse is “the first step towards the creation of a 70-million-strong Fourth German Reich. . . . The Fourth German Reich is set to boom, becoming Europe’s economic superpower in the process.”

Nov. 13, 1989: LaRouche condemns the attacks on German reunification coming from such sources as O’Brien, as reflecting either “specific Soviet assets or . . . Anglo-American Trust-oriented forces.” LaRouche renews his call for Germany to “proceed with assistance to Poland by way of assistance to strengthening the development of the economy of East Germany, [to] create a rate of growth of about 10% a year in the short term in real physical economic terms.”

Nov. 18, 1989: Thatcher writes to Gorbachov that she is on guard against “excessive euphoria” in Europe.

Nov. 30, 1989: Deutsche Bank chairman Alfred Herrhausen is assassinated, allegedly by the Red Army Faction. Just before his murder, Herrhausen had prepared a speech to be delivered on Dec. 4 in the United States, echoing LaRouche’s proposals for the development of eastern Europe. Herrhausen said: “It is advisable that the export guarantees which the German Federal government wants to expand, be tied primarily to specific projects. . . . I proposed setting up a development bank on the spot—that is, in Warsaw. Its task would be to channel the aid according to strict efficiency criteria. My vision is that such an institution could function somewhat like the German Reconstruction Bank, which traces its origins back to the Marshall Plan.”

July 12, 1990: British Minister of Trade and Industry Nicholas Ridley tells the *Spectator*: “It has always been Britain’s role to keep these various powers balanced, and never has it been more necessary than now, with Germany so uppity.”

July 31, 1990: Thatcher says, “Apart from the way in which Mr. Ridley said it, what he said was in tune with people’s feelings.”

April 1, 1991: Detlev Karsten Rohwedder, head of the German Treuhand, the agency in charge of economic integration of eastern Germany, is assassinated. Kohl government abandons LaRouche-Herrhausen perspective.

Lyndon H. LaRouche, Jr., statement of Nov. 30, 1989,

calling for support of Chancellor Kohl, following the assassination of Alfred Herrhausen:

“The murder of the Deutsche Bank’s Herrhausen today reminds me, as many others, of the murder more than a dozen years ago of Dresdner Bank’s Jürgen Ponto. This, I fear, has even greater strategic significance than the murder of Ponto back a dozen years ago. Obviously it is indicated that the murder, the assassination, was directed by the same hand which directed the assassination of Ponto and of Hanns-Martin Schleyer and targeted others during that period.

“At this time . . . it is important that all men of good will unite with Germany’s Chancellor Helmut Kohl, in solidarity with Mr. Kohl’s leadership of the Federal Republic of Germany and with Mr. Kohl’s position as de facto commander of forces on the front lines of the struggle for freedom, progress, and peace throughout the world.

“Let us respond to the murder of the honored Herr Herrhausen in a more adequate way than we did to that of Herr Ponto more than a dozen years ago. This is a moment of solemnity, but it is also a moment which we must rise above tears to take those actions which are appropriate under the circumstances.”

Bank of England, statements by various spokesmen, 1997-98:

The Bank of England has been operating the past two years in high gear to implement a plan by which the financier oligarchy, working through the City of London, would exercise extensive control over the euro single currency, including foreign exchange trading, bond trading, and equity issuance. “England is an ‘out,’ it will not be in the European Monetary Union, but we have all the infrastructure to make London the center of euro operations, and we have been working on that,” a Bank of England spokeswoman said on April 26, 1998. “London has the biggest financial market. . . . London’s role is based on its infrastructure, its large number of foreign banks operating here, the legal and accounting support, and so forth.”

At a conference on Nov. 7, 1997, in Geneva, Switzerland, organized by the International Center for Monetary and Banking Studies, Ian Plenderleith, executive director of the Bank of England, stated, “It is precisely because London is an international financial center that we have for some time recognized that EMU, and the birth of the euro, would have a significant impact on the wholesale financial markets in London, whether or not the U.K. was in EMU at the start.” As early as 1996, the Bank of England began planning and setting up the infrastructure to control all aspects of financial dealing with the euro. On Jan. 20, 1998, Eddie George, governor of the Bank of England, announced, “London thrives on liquid markets regardless of currency. . . . London can become the *international* financial center for the euro—or, for the time being, the euro-euro market—just as it is for the euro-dollar, euro-yen, or euro-DM markets now.”