Central Bankers Declare War on European Nations

by Helga Zepp-LaRouche

Mrs. Zepp-LaRouche is chairwoman of the Civil Rights Movement Solidarity (BüSo) party in Germany. She issued the following statement on Nov. 11, under the title "When Children Set Cars on Fire: The Euro and Violence in France—The ECB Declares War on Member Nations." It has been translated from German by EIR*, and subheads have been added.*

If French Interior Minister Nicolas Sarkozy had a plan to deliberately detonate a highly explosive situation, then he certainly was successful. His insulting the largely immigrant population of the suburbs, originally from the Maghreb and sub-Saharan Africa, as "scum" and "hooligans," was an unthinkable provocation, and has contributed decisively to the escalation of violence. But the explosion of these riots—as well as the refugee crisis in Ceuta and Melilla—are only symptoms of the fact that the current political order is no longer in control.

The most shocking aspect of the wave of violence, which has raged for more than 14 days in almost all of France, is the tender age of the rioters: For example, half of the 30 youth arrested one night in Marseilles were between 10 and 13 years old. In another case, of 150 arrested, 70 were between 10 and 18 years of age; and 80 were between 18 and 20 years old. The reason for the rioting is pure desperation, as unemployment among these youth, who carry French passports and belong to the third or even fourth generation of immigrants, is four times as high as the average. Massive cuts in all social programs and the elimination of social workers' jobs, has sent the youth the brutal message: You are all alone and have to fend for yourselves; we are sorry, but we have no future planned for you.

The conflict has been brewing for years. The economic gap between these immigrant youth and native French youth has been widening. The tendency toward violence grows, as does the consumption of violent videos; in 2003 alone, 28,000 autos were burned. A rap culture has developed among the youth. Rapper Rohff, for example, sings, "Another day in the suburb, nothing to do, as always," and other lyrics go, "So many lost lives. . . ."

The European media commentators, like oracles, pose the question of whether we are to expect similar explosions of violence in other European nations. In an attempt to calm things down, the special situation of France after the Algerian War is noted. Yet, despite this wishful thinking, if a number of hedge funds collapse, as the head of the Swiss National Bank Hildebrandt and others have warned may happen, then the French developments will be merely a foretaste of a threatening dark age.

For there is a connection between the riots and the "No" vote in the French referendum on the European Constitution on May 29, followed by the same in the Netherlands. Both expressed a deep dissatisfaction with the currently dominant economic and financial policies. The absurdity of the situation is appropriately captured in the fact that the International Monetary Fund praises France for having obediently implemented the IMF's demanded social reforms, which naturally have fanned the flames of violence. At the same time, IMF Managing Director Rodrigo de Rato says that Europe has two serious economic problems: its high indebtedness in state budgets and the prospect of huge social revolt.

The Euro: A Disaster for Germany

But it is not only the IMF that is guilty in this situation; the euro is as well. The supporters of the euro deny any link between the introduction of the euro, and inflation and social crises in the member states. But this does not mean much. The discrepancy in thinking between the political establishment and the general population could hardly be greater. Trust in politics and democracy has reached a low point; the attitude of many, fed up with politics, in the recent months, has turned into real contempt, which indeed carries with it the potential for future state crises.

The euro has turned out to be a boomerang for France. It was former President François Mitterrand who had a decisive role in blackmailing Helmut Kohl, then German Chancellor: France would accept German reunification only if Germany agreed to early currency union. Kohl reports on this in his memoirs. And the long-term collaborator of Mitterrand, Jacques Attali, reports in his new book, *C'était Mitterrand* (It Was Mitterrand), that Mitterrand had threatened West German Foreign Minister Hans-Dietrich Genscher in November 1989, that he would organize a new Triple Entente, of France, Britain, and Russia, for war against Germany, if Germany refused early currency union, and refused to give up the D-mark.

It has become an open secret in the meantime, among the European elites, that the whole euro concept had the aim of hindering a special role for a reunified Germany in the economic development of eastern Europe; and of weakening the German economy, of replacing a hard currency with a softer one, and altogether to force the German economy into a structure, in which it would have to achieve an invisible, but real, subsidizing of the less developed, so-called "catch-up" countries. Through the euro structure, Germany was to be "hemmed in."

By giving up the D-mark, Germany relinquished the advantages for an industrial power, of a stable currency. The same currency insecurity suddenly came about in the whole euro zone; the "big players" invested in low-wage countries, and in part, small and medium industries also felt they were pressed by competition to do the same, even though it made excessive demands on their flexibility. As a result, 40,000 of them a year went bankrupt. The economic imbalance increased, and Germany, viewed as the milk cow for Europe, has now reached the limits of its ability to give milk.

During the time of the D-mark, there were only revaluations, no devaluations, and whoever invested in D-mark holdings could only make capital profits, not losses. Each revaluation meant an increase in real income for the working population, as well as for retired people. Revaluations of the D-mark were "social dividend distribution for the German people," as former Finance Minister Karl Schiller put it in his time. In those days, the thinking of politicians was completely different: "Social security for everyone," was post-war West German Chancellor Konrad Adenauer's slogan at the beginning of the 1960s; and it was to prevent a relapse into barbarism. When unemployment in 1967 suddenly rose to 400,000, this was considered intolerable, and led to the 1967 "Stability and Growth Law," which was the joint legacy of [Ludwig] Erhardt and Schiller, that actually required state investment programs to overcome unemployment.

Today, unemployment in Germany has reached officially 5 million, and in reality, 10 million. The illusion that the "European process" could somehow be a protective shield against the negative effects of globalization, has in the meantime collapsed, except among the the most hard-baked rural idiots. And the euro has not made Europe stronger and more unified, but rather has led to a real test in every single country.

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Helga Zepp-LaRouche calls for Germany to resume its national currency, the deutschemark, and for France and Germany to join in rebuilding the continent, ravaged by globalization.

France and Germany Must Stick Together

Germany has been bled dry and can no longer pay. This is something that Chancellor Gerhard Schröder said in his last interview with the weekly *Die Zeit,* and in his speech at the most recent European Union summit in London. But the euro has also had dire consequences for other so-called core countries of the EU, in that it has aggravated crises, and led to increasingly large holes in federal and social budgets. In Germany, people who through no fault of their own have become unemployed, are being thrown into poverty and degradation, which is an outrageous injustice. In France, these budget gaps have meant elimination of social programs in the suburbs, and now the automobiles are burning, as are buses and schools in these poor neighborhoods.

For France, the question that must be faced, is: Is France prepared to distance itself from the destructive policy of Mitterrand, which means, to support Germany's recovering its sovereignty with its own currency, and thereby becoming able to do something for its own salvation, in the form of state credit creation? If not, the French government will perform harikari, as it clings to a policy which will lead to the sinking of Germany, and, due to the interrelation of the French and German economies, also to the collapse of France. If all parties in France agree only to squashing the riots through repression, without dealing with the root of the problem by creating 6 million new productive jobs, as demanded by French Presidential candidate Jacques Cheminade, then it is only a matter of time before the next wave of violence explodes.