

# EIR Strategic Overview

FRANCE & GERMANY NOW

## Western Europe Hangs by a Thread

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The recent crisis in France's oncoming Presidential elections exposes the fragility of all western and central Europe in face of the onrushing, global strategic crises caused, chiefly, by the failure of the U.S.A., so far, to rid itself of the succubus of the current Bush-Cheney Administration. Germany hangs by a thread; Italy's economy is sitting, rocking on the porch, waiting for the arrival of the economic undertaker with the right prices; the former Comecon regions of eastern Europe are dying on the vine; Germany's potential role in resistance to the catastrophe menacing it from current U.S. policy, de-

pends upon partnership with a government of France, a combination which can say a definite "No!" to the pressures of both the U.S. Bush Administration and London.

Therefore, France's outgoing, but still incumbent President Jacques Chirac has reacted understandably to the menace which a Bush-linked successor to his office would mean, not only for France itself, but all of western and central Europe. The continuing reverberations of Israel's war against Lebanon have triggered France's concern, as expressed by President Chirac, but are otherwise only the trigger of a larger and deeper issue of existential implications: the behavior of Presidential candidate Nicolas Sarkozy in Washington, which was truly ominous.

The significance of those aspects of the crisis in France is underlined by the implications of the re-election of Berlin Social-Democratic Mayor Klaus Wowereit. Wowereit's avowed anti-industrial policy means a bankrupt Berlin which is not, and will not be able to balance its budget in a morally acceptable way as long as the anti-reindustrialization policy is continued. Indeed, Germany as a whole is faced with a rapidly worsening, already impossible internal economic situation. If both France and Germany go under, there is virtually no economy in western and central Europe which will not collapse soon into a kind of prolonged, deep economic depression with existential implications for each and all of those nations as a whole.

It is no secret that Margaret Thatcher's Britain and François Mitterrand's France made it a demand of ominously strategic implications, that the reunification of Germany would be allowed only if Berlin were "de-industrialized." At the time, George H.W. Bush's Administration acceded to that set



European Commission

*French Interior Minister Nicolas Sarkozy, a 2007 Presidential hopeful, visited Washington Sept. 10-13, meeting with President Bush and other top officials. He was at pains to back Bush Administration policy, especially toward Israel.*

of conditionalities imposed upon Germany. The assassination of Germany's last great banker in the tradition of Abs and Ponto, Herrhausen, and the assassination of Rohwedder, made the threat a tangible one for leading German institutions to the present day. However, were France and Germany to unite, and gain support from the U.S.A. and other partners on the issue of the legacy of the regrettable pair of Thatcher and Mitterrand, that economically imbecilic conditionality could be efficiently removed.

For some time now, most notably since the U.S. internal downturn of 2000, the Transatlantic community and Japan have dangled at the brink of what threatens to become the greatest monetary-financial collapse in modern history, a collapse comparable to that triggered by the Fourteenth-Century bankruptcy of one of the great "hedge funds" of that time, the Lucca-based Lombard banking house of Bardi. Six years after the contested 2001 inauguration of the babbling George W. Bush, Jr., the response of the U.S. Bush-Cheney Administration has been consistently the worst possible response to that long-term threat of global monetary-financial disaster. Since a monetary-financial system is "only paper" in the final analysis, the greatest problem threatening the world's economy today, is not the onrushing general financial collapse, but the effects of an effort to hold up what are merely vastly inflated paper values, that at the price of destroying the physical-economic values on which human life and its necessary environment depend. Poor foolish President Bush's impeachable negligence in the matter of Katrina is typical.

The debt associated with sundry categories of so-called "financial derivatives," has reached proportions far, far beyond the material life of existing physical capital assets. The



EIRNS/James Rea

*Berlin's Social Democratic Mayor Klaus Wowereit ran his successful campaign for re-election on a platform of even further deindustrialization of Germany's devastated capital city.*

issue today is whether we shall destroy the physical economies of the nations, in the hopeless effort to defend the nominal values of what are largely, intrinsically worthless financial assets, or we shall debride the mass of what are intrinsically worthless gambling debts, in order to establish a sustainable long-term relationship between legitimate financial capital holdings, such as retirement funds, and a physical-growth-redirected process of investment and employment in the increase of per capita real wealth world-wide.

For that reform, Europe requires U.S. cooperation; however, if the U.S. does not provide that cooperation, the U.S.A. itself is doomed to a horrid, self-inflicted disaster.

## World Crisis on Eve of U.S. General Election

*This announcement was released by LaRouche PAC on Sept. 22.*

The second of a continuing series of LPAC-sponsored international webcasts, is now confirmed to occur on Oct. 31, 2006. The principal events will be convened simultaneously in the keystone national capitals of Berlin, Germany, and Washington, D.C.

The timing of this broadcast was chosen to conform to the crucially significant period of the last days preceding the U.S. national mid-term elections. That election already represents a crucial turning-point in current world history, as the threat of a massive U.S. aerial attack on Iran coincides with an onrushing general crisis of the U.S. and world monetary-financial systems, and a political upsurge within

significant parts of the U.S. population, expressed growing popular disgust with the "politics as usual" currents within the Democratic as well as Republican Party.

There are readily available real opportunities to bring together nations which will be willing to respond to the presently escalating world economic and other crises, and to unite them around support for implementable real alternatives to a new world economic depression.

The webcast will begin promptly at 16:00 hours Berlin time, and 10:00 a.m. Washington, D.C. time. Access through the Internet will be available at other national locations. The session including the principal address by Lyndon H. LaRouche, Jr., will continue for three hours. Discussion and other communications from relevant institutions and notable individuals will be featured during the webcast. Spillover from the proceedings will be presented on the LPAC Internet site.

The webcast can be accessed live through [www.larouchepac.com](http://www.larouchepac.com). For more information, call 1-800-929-7566.

## ‘The End of the Truman Era’

The tell-tale praise for former President Harry Truman by Vice-President (as in “vicious”) Dick Cheney, points to the fact of the long wave in U.S. policy established by Harry Truman’s prompt and savage reversal of some among the most crucial strategic elements of the policies of his predecessor, Franklin D. Roosevelt. Notably, the President who seriously challenged that Truman legacy at a crucial turning-point in history, John F. Kennedy, was assassinated, and the case closed before investigation could actually begin. The Vietnam War which the assassination of Kennedy made possible, set the stage for the wrecking of the U.S. physical-economy, which was launched by the Nixon Administration, and continued by the increasing role of the anti-industrial 68ers.

Behind all that wicked conniving of Anglo-Dutch and U.S. financier circles which steered the Truman Administration’s shifts in policy away from FDR’s, there was not only intended malice against the U.S.A., but also a quality of “honest stupidity” which persists among leading financier circles and most university professors of economics still today. That problem is, that the doctrines of political-economy which were established for the newly founded empire of Lord Shelburne’s British East India Company, were made by men passionately ignorant of the ABCs of the existence of an actually physical economy, when they adopted the revival of the medieval Venetian tradition in defining the value of money as such. The Karl Marx whose entire education in the rudiments of economy was conducted by the British Haileybury establishment, made the same mistake, if with his own “spin.”

The global economic crisis of today, is centered in a policy which deliberately wrecks the essential ingredients of science-and-technology-driven production of real wealth, on the working assumption that the deep, increasingly fatal impoverishment of the many, especially the ageing, is the “necessary price” to be paid for the pleasure of the few. In reality, real growth is sustained in no other way than by the increase of the productive powers of labor through promotion of fundamental scientific progress, and by capital-intensive investment in a rising ration of basic economic infrastructure per capita and per square kilometer of total territory.

Desperately hungry people represent the actually physical-scientific view on the subject of economy. Economics is essentially a matter of physical values, first and foremost. Production of wealth is physical. The productivity of production is shaped by advances in science and technology, and by the rising ratio of basic economic (physical) infrastructure to production.

Unfortunately, it is more often ideology, than the power of human reason, which determines what people, even entire institutions, such as governments, believe today. As we of the Americas and Europe should have come to understand, whereas virtually all the past achievements in economy of the nations of the Americas have been based on the adoption of

the leading force of the modern European culture introduced by the influence of the mid-Fifteenth-Century great ecumenical Council of Florence, the realization of that benefit had tended to be greater in the states of the Americas which have followed the U.S. constitutional model, until 1971, than in Europe itself. The principal reason for what had been the relative advantage of the U.S. over Europe, from 1863 through 1945 and slightly beyond, was that “Old Europe” was dominated by the residual influence of oligarchical ideologies left over from earlier Habsburg, and current Anglo-Dutch-Liberal perversions.

In the case of the Truman devolution, it was the painful experience of those who came to be my valued friends and acquaintances among the veterans of the O.S.S. and their like, that the moral decadence which took over the U.S.A. after the death of FDR, was rooted in rather closely related oligarchical cultural traditions: the legendary descendant of the pre-1865 slaveholder and the northern, “Oh so social” Anglo-Dutch oligarchy in the Essex Junto and Aaron Burr Bank of Manhattan tradition from which President George H.W. Bush and his awful son have descended. Although a residue of patriots of my inclinations is found in such notable instances as President Dwight Eisenhower, and Kennedy’s attempted role in the tradition of FDR, the prevalent trends in U.S.A. economic policy, since the death of FDR, have always remained, axiomatically, so far, the oligarchical standpoint of Truman’s British and American oligarchical controllers.

Now, the presently onrushing world-crisis confronts the world as a whole, but especially the U.S.A., with the following crisis. Dump the oligarchical tradition in policy-shaping which was revived under Truman and unleashed in Europe and the U.S.A. with the ousters of Adenauer and Erhard in Germany, the attempted assassinations by fascists of President Charles de Gaulle, the assassination of John F. Kennedy, and the dumbing-down of young Germans through the cancelling of the Humboldt reforms. Or, accept the otherwise inevitably early doom of civilization as a whole.

Freedom of choice is no blessing when the choice taken is a march into Hell. That is the lesson of the culture of Sophistry which reigned over Pericles’ Athens all the way to the Hell of the Peloponnesian War. That is the lesson of the culture of Sophistry which was unleashed by such instruments as the Congress for Cultural Freedom, in impelling the U.S.A. and western and central Europe toward the virtual plunge into Hell today.

The issue for the U.S. political parties is that the majority of the U.S. population is represented by the lower eighty-percentile of family-income brackets. This does not mean, necessarily, that the current opinions of the lower eighty percentile are invariably correct; it means that a political party which now rejects the just economic claims of the lower eighty percentile is morally unfit to lead. In Europe, as in the Americas, if the nation accepts the leadership of the unfit, the loss of the nation itself could very well be the price soon to be paid for that mistake.