THE FAKE ANTI-EURO PARTY

Anti-Euro on the Outside, National-Monetarism Inside

by Helga Zepp-LaRouche

May 4—More and more citizens sense that Germany is in danger of being drawn into a bottomless vortex. All of Southern Europe is being economically ruined by the austerity demands of the Troika [IMF-ECB-European Commission]; youth unemployment there is up to 60% (!); the European Central Bank, by cutting interest rates to 0.5%, has opened the monetary floodgates in the tradition of Weimar Germany in 1923, just as the Fed and the central banks of Britain and Japan have done; and Germany is supposed to be the paymaster of last resort for everyone in Europe. In short, only an ignoramus does not see that the euro is a failed experiment!

So on Feb. 6, after a couple of metamorphoses, a so-called anti-euro party [Alternative for Germany, AFD] was formed, heralded by amazing media hype, and its chairman, Prof. Bernd Lucke, has since been passed around from one talk show to another. Observant contemporaries must have been wondering what is going on with this new party, given the undeniable control of the media.

Another supposed strength of the new party—that it was founded by a number of economics professors—is actually its greatest weakness. None of these professors forecast the global systemic crisis; so why would you want to trust someone to solve the crisis who has the very mindset that caused the crisis in the first place?

On the contrary, it was precisely the unbridled free-market radicalism and monetarism preached by the so-called Hamburg Appeal (2005), and signed by 243 economics professors at that time, including Lucke, that was the cause of the current crisis. The appeal stated that "labor costs are a key to overcoming Germany's weak economic growth." And further: "The unpleasant truth is therefore that an improvement in labor market conditions is possible only by lowering the wages of those who are already low-paid—i.e., by an increased wage differential. This could be cushioned by longer working hours, reduced holiday pay, or greater motivation." This "increased wage differential," the widening gap between the super-rich and super-poor, has always been the goal of the German neo-cons from the so-called Initiative for a New Social Market Economy, which supported the Hamburg Appeal, as did the financial interests backing globalization.

Hideous Intentions

If you look at the AFD's various policies or those of the "Election Alternative 2013," as the group was called before one of its metamorphoses, it is clear that the talk of leaving the euro is only the soothing sound of a pipe like that of the Pied Piper of Hamelin, to lure the disaffected from the conservative camp—the party program itself is obviously deliberately vague, while the economic policies of some of its leading members and supporters make one's hair stand on end.

For example, board member Konrad Adam thinks it's a good idea to withdraw the right to vote from the unemployed. And Prof. Roland Vaubel, a member of the Scientific Advisory Board, who is closely associated with the American Cato Institute, even had the nerve to cite the constitution of Solon of Athens as evidence that members of "the lowest class" should not be allowed "to campaign for political office." Health economist Prof. Peter O. Oberender supports the commercial trade in human organs, saying that welfare [Hartz IV] recipients could solve their problems by selling their organs to rich people who can afford them: "If someone is facing an existential threat, he should be able to finance himself and his family by the sale of organs." It makes sense that the profoundly anti-social Kirchhof income tax model has been proposed, whereby the more you earn, the more benefits you get.

The same ignorance is revealed in the question of energy, so crucial for the real economy. Here again, nothing but lip service against high energy prices, obviously without understanding that the reason for these high prices is the government subsidies for inefficient technologies that are useless for an industrialized nation.

Given the AFD's unfettered market radicalism and blatant social Darwinism, it is no surprise that Great Britain and the policies of Prime Minister David Cameron are touted as a model—that is, the policies of the British Empire, understood as the forces of globalization and the policy of regime change.

Upon closer inspection, this anti-euro party is not at all so committed to an exit from the euro—at least not for Germany. It is rather that the Southern European countries are to be thrown out. That is what the uninvited Professor Lucke said in early April at a seminar of German and French economists in Paris: "Not all countries should return to their original currencies, but only those that have misbehaved. The others could use the euro, as they have done in the past."

To that, the French industrialist Michel Robatel, co-founder of the Pomone Institute and organizer of the German-French Forum, said: "This does not agree with our proposals. [He was referring to the statement that had previously been agreed upon by the French and German economists present—HZL.] We are for a return to all national currencies, with all their advantages. The European currency should be used only as a common unit of account; the exchange rate of this unit against any of our national currencies has already been discussed on the basis of a common understanding, as well as the exchange rate against the U.S. dollar." None of the others present contradicted this.

Meanwhile, Lucke is talking about a possible German exit from the euro in 2020! Is unclear what part of the universe he actually is in—certainly not the Europe of 2013, where leading politicians in the South are now saying that the policies of the Troika are turning Europe into a concentration camp.[1]

A Deadly Medicine

Almost without exception, the "big names" who have come together in the AFD are fundamentally, monetarists, and are mostly oriented toward the so-called Austrian School of Friedrich von Hayek, Ludwig von Mises, and the ultra-liberal Mont Pelerin Society. This also explains why their analysis of the crisis is so clueless, and why their "alternative" would be a medicine that kills the patient (namely, Europe).

Thus, Lucke claimed, in an interview with the magazine *Cicero*, that the privatization and liberalization of the economy that he and his colleagues want and have partially already pushed through, had nothing to do with the financial crisis of 2008-09, and that that financial crisis also had nothing to do with the crisis of the euro! If one starts off, as Lucke does, with the view from inside a mathematical model, and takes the concept of the real, physical economy to be a foreign word, then naturally one ends up with such absurd statements.

The reasons for the financial crisis lie exclusively in the deregulation and liberalization of the financial system, which, beginning with the policy of the U.S. Truman Administration, and continued by President Nixon's abolition of the Bretton Woods System, systematically paved the way for the shift away from production and toward speculation. The rampant deregulation since the 1999 repeal of the U.S. Glass-Steagall Act is the only significant reason for the financial crisis of 2008-09! And the continuing bank rescue packages since then, which have transformed the huge sums of private gamblers' debt into state debt, whereby the taxpayers and citizens have had to pay for the partly criminal behavior of the banks, have brought the crisis of the

1. See *EIR*, May 3, 2013—ed.

euro's bad design to the catastrophic point at which we find ourselves today.

What the AFD represents, judging by its minimalist program—which reflects no understanding whatsoever of the complexity of foreign and security policy—lets the cat out of the bag about their true intentions, is a form of radical national monetarism, which, in its rejection of the role of the state, specifically precludes the only realistic solution that exists. And that is the reintroduction of the original Glass-Steagall Act, as it was pushed through by Franklin D. Roosevelt in 1933—not the ersatz Volcker Rule, Vickers Commission, Liikanen Report, or [German Social Democratic Party candidate for Chancellor Peer] Steinbrück or [German Finance Minister Wolfgang] Schäuble's proposals for banking separation, but the real Glass-Steagall Act!

Glass-Steagall Is the Solution

This is the bill, HR 129, that has been introduced to the U.S. House of Representatives by Reps. Marcy Kaptur and Walter Jones; there is growing support for it in the United States, with all the hallmarks of the beginning of a second American Revolution. In this revolution, the radical-liberal monetarists are on the wrong side, just as the British Empire was in 1776.

Whether the media hype for the AFD is based on the old imperial principle that "if there is an opposition, then take it over!", or whether the party is supposed to hold the stirrups for the rise of other forces who want to impose a political union in Europe even faster, makes no great difference. If the Pied Pipers succeed in luring too many people to follow them, the effect will be just as bad as in the legend of Hamelin.

Europe can only be saved with a comprehensive program of sovereignty over nations' own economic and monetary policy, a Glass-Steagall-type banking separation law, fixed exchange rates, and a credit system in the tradition of Alexander Hamilton. Then Germany, after being subjected to a scorched earth campaign of green ideology and speculation, will finally have a new perspective, and Southern Europe, Southwest Asia, and Africa can be developed as part of the World Land-Bridge: a real peace policy.

The AFD is a sham: It is an anti-euro policy on the outside, but national monetarism on the inside.

Translated from German by Susan Welsh