

is such a person. While giving lip-service to the Maastricht rattlesnake, he is simultaneously pushing in the exact opposite direction. While in Paris he reconfirmed Franco-German friendship, along with the Elyseé Treaty signed 30 years ago by French President Charles De Gaulle and German Chancellor Konrad Adenauer, and stressed the key role of the French and the Germans for Europe: "How closely we work together, how well we understand one another—this is what will ultimately determine how things will go on the entire continent." European unity means "unity in many-ness," said Kohl, echoing an expression from Cardinal Nicolaus of Cusa, and also stressed that for him "the thought [is] unacceptable that the western border of Poland and of the Czech Republic should forever continue to be the eastern boundary of the European Union." But an essential included purpose of the Maastricht monster is the continuation of the Iron Curtain in a different form.

Regardless of whether European policy is organized as a Europe of the Fatherlands, as a community of sovereign states, a European association of states, or anything else, such arrangements can only function on the basis of a coherent strategy for overcoming the world economic crisis, mass unemployment, and the terrible economic, political, and psychological damage which has been inflicted in the East by banking establishment-dictated monetary shock therapy.

Concretely, this means implementing a Eurasian program for the construction of modern infrastructure throughout the continent, as Lyndon LaRouche had already proposed immediately after the fall of the Berlin Wall in 1989. The area within the "Productive Triangle" described by Paris, Berlin, and Vienna would serve as a driver for this endeavor.

These investments must not be allowed to be curtailed or prevented because of empty treasuries and expensive private credits. Rather, it would be necessary to issue new productive credit through transforming Germany's central bank, the Bundesbank, into a National Bank.

Such a European continent-wide development strategy would of course conflict with the geopolitical dogma of the Anglo-American financial elite who are currently setting the tone in the West, and is contrary to the neo-liberal, monetarist dogma of the "free market." Indeed, Maastricht itself was a reaction by these circles to the opening of the Iron Curtain and the reunification of Germany: the Maastricht Treaty explicitly forbids the issuance of national bank credit.

If Chancellor Kohl really believes that with Maastricht "the evil spirits of the past" can be banished and war prevented, then he is yielding to a dangerous bit of self-deception. *We already have war in Europe.* The war in former Yugoslavia was largely caused by the same International Monetary Fund shock therapy which has just led Russia back into a dictatorship. And it will get even worse, unless a line is finally drawn against this dishonest dance with the rattlesnake.

The Canadian Election

Voters reject NAFTA and bankers' austerity

by Gilles Gervais

Canadian voters on Oct. 25 delivered an overwhelming defeat to the ruling Progressive Conservative Party, in a popular revolt against austerity, unemployment, and the Anglo-American bankers' plans to loot the entire continent through the North American Free Trade Agreement (NAFTA).

Kim Campbell's Progressive Conservative government, which went into the election campaign with 157 seats in the House of Commons, came out with only 2 seats, terminating its 126 years of existence as one of the two major Canadian political parties. The Liberal Party, headed by Jean Chrétien, won the elections with 178 seats (out of 295), and 41% of the popular vote. Chrétien will become the new prime minister, and has pledged to renegotiate the NAFTA treaty.

Among the other parties which will enter the new Parliament, the social democratic NDP lost 36 seats, ending up with 8 seats and 7% of the popular vote. The western-based populist Reform Party elected 52 members of parliament with a popular vote of 19%, while the separatist Bloc Québécois got 54 MPs elected, with a popular vote of 14% overall and 49% within French-speaking Quebec. The growth of these regional parties is fraught with danger to the continued existence of Canada as a nation.

Situation shaken up

EIR sources report that, despite the dangers, rejoicing is being heard throughout the land. It is not that people are particularly pleased that the Liberals won; there is little or no expectation that their policies will be an improvement. Rather, the common view is that the election results "have opened everything up," shaking the institutions and making it possible for an alternative policy to emerge.

Chrétien's party swept Toronto, the capital of Ontario, the most populous province and the industrial heartland of Canada, which was hit by heavy unemployment after the 1989 free trade agreements went into effect.

"Citizens in Canada have turned their opposition to NAFTA into political change," said Lori Wallach, director of the Public Citizens Trade Program, to the *Globe and Mail*,

Canada's national newspaper. "Members of Congress in the U.S. can learn a lot from the election in Canada: Support of NAFTA can spell electoral defeat."

The North American Free Trade Agreement is scheduled to come to a vote in the U.S. House of Representatives on Nov. 17, but it might die even before that as a result of the Canadian elections, according to a source in the City of London financial district. "There is presently \$18 billion in speculative U.S. capital in the Mexican stock market, all assuming the NAFTA is a foregone conclusion. This setback could lead, in the next days, when people better realize what's happened in Canada, to a panic selloff by U.S. speculators in the Mexico markets."

President Clinton was at pains to deny such scenarios, stressing on Oct. 26 that Chrétien's election "will have no impact at all" on NAFTA. "I see no reason to renegotiate the agreement or any grounds or basis for it, and I think we should just go ahead. I think that all the countries involved have a lot of stake in proceeding, so that's what we plan to do."

U.S. Trade Representative Mickey Kantor insisted that the Liberal victory would not affect the pact's chances for approval by Congress, and that there will be no renegotiation of NAFTA. One authority on North American issues, however, dismissed these remarks as "damage control," according to the *Globe and Mail*.

'Financial community' up in arms

As *EIR* reported last week, the Conservative government of Prime Minister Kim Campbell, the "Maggie Thatcher" of Canada, was set on implementing the International Monetary Fund's (IMF) demand that Canada drastically reduce its Can\$35 billion budget deficit and impose austerity. This was the same free-market austerity policy that created the discontent that knocked out Thatcher in Britain, George Bush in the United States, Constantin Mitsotakis in Greece, and could soon knock out British Prime Minister John Major.

With the defeat of Campbell, the bankers are fearful that their program will run aground, and are hastening to make sure that Chrétien will toe the line. The business section of the *Globe and Mail* on Oct. 26 greeted the new prime minister with this rude "wake-up call":

"Good Morning, Prime Minister-elect Chrétien.

"This is your wake-up call from the international financial community. We have three items on the agenda today:

- "Your plans to re-appoint—or fire—John Crow to another seven-year term as governor of the Bank of Canada;

- "Your plans—if any—to bring down an economic statement (or even a budget) before Christmas, one that tells us just how far off track the old government's fiscal projections are;

- "Your plans to turn the deficit around with a medium-term fiscal plan that we can regard as credible.

"You may recall that we're the folks from whom you

need to borrow about \$36 billion a year. The provinces need another \$22 billion.

"We'll buy your bonds, all right. But before we decide what price you'll have to pay for it (that's the rate of interest, by the way), we'd like to hear some answers to those questions.

"Sorry if this takes the edge off your day of celebration (congratulations, by the way), but we'd like those answers quickly."

Threat of national disintegration

The pressures on Canada from the IMF and the financial world have created the conditions for the growth of separatism, which threatens to bring about the political dissolution of Canada by 1995. This balkanization has become a very real threat, as shown by the strength of the regional parties in this parliamentary election. "The long era of national parties and federal and provincial bureaucracies brokering regional differences among themselves has given way to the balkanization of Parliament," wrote the *Globe and Mail*.

This scenario to dismantle the nation-state is also being promoted in other countries, such as Italy, where the Northern League and Lombard League are demanding the split-up of the nation. It is also reflected in demands to break California up into three separate states, and similar scripts for the United States.

"It Could Be the End of Canada," was the headline of a commentary in the *International Herald Tribune* of Oct. 22, written by researcher David Mussington and Gerald Segal, a senior fellow at London's International Institute for Strategic Studies (IISS). They express the fears of some British circles, that the dissolution of the Canadian nation would mean the end of the free-market based "new world order" which they are attempting to orchestrate and control.

"As Canadians stumble towards the abyss, it becomes more urgent to consider the risks," they write. "NAFTA, if it has not already been killed, could be wrecked by the debris from a shattering Canada. And if the trade agreement does survive, it will be paralyzed by the complex process of mediating disputes within the former Canada and between the new states of the north and the United States and Mexico. . . .

"The breakup of Canada would seem to be less militarily risky than it would have been during the cold war. But long-term damage might be worse. If a country as stable and prosperous as Canada were to collapse, a depressing message would go out around the world.

"East Europeans and others are told by the West that market reform will make them rich, stable and peaceful. Canada's collapse would undercut this message and encourage intolerance."

That is the view from the British IISS. The reality is that it is the bankers' free-market "reforms" that are causing the collapse of nations, including Canada, which has indeed been rich, stable, and peaceful up to now.