

weekly ‘papers’ on ceremonial matters, which he is reading and re-reading with his advisers.”

That he will be the first sitting President in the history of Ibero-America to receive the coveted title from the fawners and flatterers of the British Empire, is totally merited. In his rapid ascent to power in Brazil, Cardoso has done everything in his power to catch the benevolent eye of the British sovereign. It was in 1993 when, as the minister of foreign affairs of President Itamar Franco, Cardoso spoke before the Royal Institute for International Affairs at Chatham House, and promised to reestablish the “special relationship” that had existed between Brazil and England, and which made Brazil a subject of an imperial system, from the time the nation was born in the early 19th century, until its 1930 revolution.

President Cardoso’s request for authorization to sign the Nuclear Non-Proliferation Treaty, sent to the national Congress on July 20, is one more proof of his conscious effort to place Brazilian diplomacy at the service of British foreign policy, and to sit as a permanent member of the United Nations Security Council, even if it is just to keep that seat warm.

### **An agreement with Chatham House**

In an article in the July 16 *O Globo*, the Brazilian ambassador in London, Antonio Rubens Barbosa, announced an agreement between Brazil’s Foreign Ministry, Itamaraty, and Chatham House, cradle of British imperial policy, from which one can easily recognize who is pulling Brazil’s diplomatic strings. “The Brazilian Embassy in London always followed the conferences of Chatham House, as part of its routine work of political observation. In this way, one can gather important elements of analysis and reflection on the present international situation. . . . To broaden Brazil’s links with that forum and to give them an institutional basis, a pioneer project of academic cooperation between the embassy and Chatham House has been established.”

Ambassador Barbosa added that this pioneer project “is a powerful instrument for spreading and promoting Brazilian foreign policy while, at the same time, it reinforces Itamaraty’s channels of communication and dialogue with the international academic community. . . . The program of cooperation with Chatham House, whose continuity will be fundamental to the objectives we seek to reach, is complemented by another academic initiative in the United Kingdom, which is also already a reality: the Center for Brazilian Studies at Oxford University.” The central issues of this “special relationship,” apart from the tired cant of free trade, are security and defense, and future scenarios for international insertion.

It is clear that while President Cardoso and his team of Anglo-American-educated technocrats are prepared to set all of Brazil aflame, Cardoso and his muses at Itamaraty are content to fiddle and dance to the tune of the British Empire.

## **Cheminade: France’s Jospin must solve a difficult paradox**

Jacques Cheminade, a close friend of Lyndon LaRouche’s and head of the French Progress and Solidarity Party, was interviewed by Gabriele Liebig, editor of the German weekly newspaper *Neue Solidarität* on July 9. France’s elections in May swept conservative Prime Minister Alain Juppé and his allies in the National Assembly out of power, and replaced them with a coalition headed by Socialist Lionel Jospin. Unlike conservative “Gaullist” President Jacques Chirac, who overconfidently called the snap elections, and his hand-picked Premier Juppé, Jospin’s team opposes the implementation of the Maastricht Treaty’s single currency if it means further austerity, social welfare cuts, and higher unemployment. In this, Jospin has broken utterly with the policies of the Socialist regime of President François Mitterrand, which ruled for 14 years; in fact, Jospin and his Interior Minister Jean-Pierre Chevènement — Mitterrand’s education and defense ministers, respectively — were the only two Socialists to walk out of the Mitterrand government, in protest of his policies.

In 1995, when Chirac ran for President, he promised to reverse the social and economic decline of the country; after his election, at the Group of Seven heads-of-state summit in Halifax, Canada, he blasted the effort to maintain a crumbling international monetary and financial system, referring to it as “financial AIDS.” Soon thereafter, he turned his back on everything he had said, adopting Thatcherite liberal economics, which only drove France deeper into economic and social desperation, and cost him the May 1997 National Assembly elections. Now, Jospin faces the same challenge.

As we reported in our July 4 *Feature* story, Jospin has made a good beginning (although he also displayed his serious weaknesses), as his June 18 speech to the National Assembly showed. More shocking, perhaps, was his address to the Socialist International conference in Malmö, Sweden, where he set himself up as the counterpole to Britain’s new Labour Prime Minister Tony Blair, who may be even more committed to Thatcherite neo-liberalism than Jacques Chirac. Similarly, at the Amsterdam European Union summit to finalize the Stability Pact for implementation of Maastricht, Jospin insisted that the criteria for meeting membership in the European Monetary Union not overshadow the need to fight rising unemployment throughout the Union.



*LaRouche ally Jacques Cheminade, campaigning for President of France in 1995. Back then, his insistence that France break with the collapsing international financial system were ridiculed; today, many in the government quietly concede how right he was.*

It was in the context of Jospin's election, and the expected signing of the Stability Pact, that, during the week of June 9, a group of 331 European economists published an open letter, denouncing the economic fraud underlying the EMU, and warning that there are powerful "interests" in the financial sector who are profiting from the economic-financial crisis. That letter is excerpted in our July 4 *Feature*.

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## Interview: Jacques Cheminade

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**Q:** What do you think about Lionel Jospin's public address of July 3? Did he live up to what the French people expect from him?

**Cheminade:** Jospin's address to the National Assembly on July 3 calls for a "new republican pact with Frenchmen," and defines a state "based on the service of the nation," which signifies a principled break with the age of Mitterrand and Chirac. Nonetheless, the concrete content of the speech is still inadequate and made up of a sum of measures—about 45 of them—of social interest that, put together, do not make a policy. Such measures are limited (their total cost is no more than 10 billion francs), and are not aimed at the fundamental issues facing the nation. Obviously, as he explained later, Jospin wanted to lay out the main lines of his commitment, but to wait until the fall to reveal his strategy.

Therefore, it is more in other speeches than in this very

official one, that you can see what Jospin has in mind. First, let's refer here to two of his declarations, of April 21 and June 19. He first states, "I do want Europe without renouncing France," and then adds: "The nation is not only a living reality, to which we are all attached, but is, above all else, the place where the heart of democracy beats, the whole within which the most profound solidarities build themselves up." This is in total opposition to the supranational interests for whom the nation-state is outmoded and the state bypassed by the "technical, economic, and social realities of the present time." Jospin himself relates to the old tradition of the Socialist defenders of the nation-state, such as Jean Jaurès, and stands in opposition to the "new left" types, à la Tony Blair or even Jacques Delors. "Europe," he also said, "can make more room for democracy, but will never be able to replace the nation." So, Jospin represents a current in the French Socialist Party opposed to the "federalist" view of Europe, and he is by instinct an "enemy of Anglo-Saxon liberalism," as he himself also stated.

Second, and even more important, he sees the public sector as representing the long-term prospects and promises of the nation-state. This means, as he said repeatedly at the European Socialists' meeting in Malmö, that he rejects those "market forces that, if freed from all controls, will threaten our very conception of civilization." These are very strong words, all the more so, since they were said right in front of Tony Blair, who instead called for respect for the markets: "Let's adapt or die."

But to my thinking, the most remarkable statement by

Jospin was on economics, again in Malmö: “Europe is going to find once again the path of a stronger and more stable growth, only if investments that are not profitable in the short term, but nonetheless indispensable for the prosperity of future generations, are undertaken as early as today.” This is a reemergence in Europe of the concept of physical economy, and in contrast to the Maastricht disaster. Jospin, by the way, does not hide, in private, the fact that he feels uneasy at having supported Maastricht under pressure from Mitterrand, when he was Education Minister. Soon thereafter, he withdrew from Mitterrand’s cabinet.

So, Jospin is at heart a very peculiar and interesting type of Socialist. But his problem is twofold: First, he is surrounded by an “establishment” of bankers and civil servants from the “new left,” with whom he does not think he can break. This is potentially very dangerous, because these types are well trained, vicious, and committed to destroying Jospin’s good intentions from within. Second, he is isolated in Europe, and feels too weak to break with the rules of the game.

Hence the paradox: Jospin expresses a very interesting potential, but does not take any concrete measure corresponding to this potential. He is presently trying to buy time, until this fall. He seems to understand that the end of the year will be a decisive period for France, Europe, and the world, and tries to prepare himself to confront the coming storms. His way is obviously not mine, but at least he represents a potential, as opposed to the Chirac-Juppé duo, who had betrayed all their electoral promises and were wholeheartedly—and disgustingly—playing the game of the markets.

Besides, Jospin was elected to make a policy shift in favor of labor and production, and against the financial oligarchical interests. If he tries to escape his past commitments, his career will end quickly. At the recent European labor demonstrations in Paris, there was a huge banner saying: “Juppé—we got you; Jospin—we’re watching you.” So, there is the man Jospin and the political dynamics behind him, and I and my friends are quite pleased with this combination, but London and Wall Street are less appreciative.

**Q:** Jospin has clearly set himself apart from Tony Blair and his “Thatcherism in a new package.” But what does Jospin stand for?

**Cheminade:** Jospin comes from the tradition, through his family, of “French universal education.” This is the best side of him. As a Socialist, his friend, Education Minister Claude Allègre, says that he owes a lot to Jaurès, far more than to Marx or anybody else. Besides, Jospin is a Protestant in a Catholic country, which is not necessarily a bad thing. He is not a Geneva or London type of Protestant, Calvinist, or Anglican, but rather a Huguenot committed to the concept of statecraft in Henri IV’s Edict of Nantes: Beyond religious or personal feuds, you define an area of common agreement, or common good, embodied in republican institutions. As such,

Jospin is definitely not anti-clerical, as too many French Socialists are, but a “man of the common good” and of dialogue around this notion of common good that he identifies as the “republic.”

He had a very interesting response to a statement by a member of the Club Saint-Simon, the meeting-place of the “*pensée unique*,” the axis of the French Nomenklatura. This man told Jospin: “You talk a lot, but you know that nothing can be done against the will of the markets. They are the power, not you politicians.” He immediately responded: “I absolutely disagree with you. My concept of a politician is a concept of willful commitment to ideas and actions. The markets are not a sacred cow. If I thought as you do, that nothing can be done against them, I would immediately retire from politics. Politics are for me the universe of willful change.” Jospin recently proved this, when he nixed the nomination of Jean-Pascal Beaufret to head the Economics Minister’s staff, because the candidate had been one of the key advisers to [Mitterrand’s] late Prime Minister, Pierre Bérégovoy, and a partisan of austerity and a “strong franc.” “We were elected to restart social-monetarism,” Jospin allegedly said.

There is, however, another side to Jospin: He is a politician who was, for a long time, very close to Mitterrand. Hence some of his “instinctive reactions,” such as his tactical alliance with the ecologists and the disastrous cost: the announced closing of the Super-Phénix fast breeder and the definitive halt of the Rhine-Rhône Canal project. This completely contradicts his commitment to a public works policy. So my own policy is to set before the Jospin government the contradiction involved in this issue, and to endorse the fight of the local population of the Savoie and Isère departments to keep the Super-Phénix. Most Communist Party and Gaullist Party members, and even most among the Socialists, agree with me on that, but are too cowardly or too compromised to stick their necks out.

I am confident that our fight, and the economic and social dynamics of the coming period, are going to make it possible for the Jospin government to change its decision on that. It is more than a question of national independence, it is a matter of knowledge and respect for science and skilled employment. At this point, the person in the Jospin government who symbolizes this opposition to the Super-Phénix is Bettina Laville. This woman is really bad news: She arranged the electoral deal between Jospin and the ecologists, and besides, she comes from the old Mitterrand-Bérégovoy cabinet. A few years ago, she also promoted Greenpeace material. So I see my role as that of a doctor who is going to try to excise this Mitterrand leftover from Jospin’s foot. He may pretend that the operation is painful, and dislike my medicine, but in the long run it will be much better for him if I succeed. . . .

**Q:** Just before the EU summit in Amsterdam, a memorandum signed by more than 300 European economists was pub-

lished, which made a rather competent criticism of the Maastricht Treaty and presented an alternative economic strategy for Europe. To what extent does this memo reflect views shared by the new government?

**Cheminade:** This memo does not officially reflect the government's views. Why? Because the memo calls for a choice in favor of an employment and growth pact in Europe against the Maastricht Stability Pact. (Every time you hear "stability," it means "austerity.") They say that you cannot have growth and employment with the Maastricht criteria, and they call for a policy of national banking, that is, issuance of productive credit and currency by national banks, which they correctly understand is absolutely mandatory for conducting a policy of great projects and employment; whereas the Maastricht Central Bank is supposed to be a financial institution totally independent of the European states.

Jospin and his friends had—and surely still have—a lot of sympathy for that approach to economics. But they were isolated at the Amsterdam Summit. During his campaign, Jospin had said that the Stability Pact was a "super-Maastricht," and that he did not feel bound by it. But once he was

in power, President Chirac told him that he, Chirac, feels bound by it, because the Juppé government signed the pact and he approved it. So, Jospin was cornered, between Chirac and the other European states, which all called for financial austerity.

At this point Jospin called together his closest friends and said: We can't push against the Stability Pact at Amsterdam, because we are too weak. We can't at this point, and he emphasized this point, afford a triple crisis—a crisis with Chirac in terms of the cohabitation (sharing of power with the President), a crisis with the German government, and worst, a crisis with the markets. There were threats to Jospin that he had to agree, "or else," meaning a withdrawal of foreign capital from France—foreign capital which, now, under the guise of British and American mutual funds, controls a good chunk of the French economy.

I can't blame him too much for bowing to the pressure, because a head-on fight at that time would have been suicidal. His friend, the talented Economics Minister Dominique Strauss-Kahn, found a compromise to reach an agreement at Amsterdam. A new pact, called a pact for growth and employ-

## The political power behind 'l'Affaire Cheminade'

Recently, French Prime Minister Lionel Jospin stated that he would make the country's justice system independent of the Executive branch. It would be nice to think that he was referring to the frame-up of Jacques Cheminade, which is a paragon of the perversion of justice for political ends. More than a simple travesty, the purpose of the dirty operations against Cheminade, was solely to blacken his name and the political authority of Lyndon LaRouche in France.

In 1982, LaRouche's associates in France met Mrs. Denise Pazéry, who over the years became a generous supporter. Mrs. Pazéry passed away in October 1986. In March 1987, her heirs launched a criminal suit against Cheminade and several of his associates for "fraud," charging that they had taken advantage of the 63-year-old Pazéry, who, the heirs claimed, had suffered from Alzheimer's disease, although it had only been diagnosed two years posthumously! Despite offers by Cheminade et al. to refund her donations, the family insisted on a laborious (and unprofitable) criminal complaint.

In 1990, a judge found no basis for pursuing the complaint and ordered the case dismissed. The government

immediately appealed, and, with the charges now upgraded to "theft," the defendants were indicted again. In the process of discovery, Cheminade and his associates learned that the Renseignements Généraux had issued a memo connecting the co-defendants to LaRouche, who, by that time, had been framed up and imprisoned in the United States. In 1992, Cheminade et al. were convicted, given suspended sentences, and fined, required to pay heavy restitution to Pazéry's heirs. The defendants appealed.

In 1995, Cheminade declared his candidacy for President of France, laboriously meeting the rigorous requirements for ballot status and for state funding for his campaign expenses, for which he raised 4.7 million francs in loans. Logically, he expected to repay his lenders from the publicly disbursed campaign funds. On Oct. 11, 1995, the Constitutional Council outrageously rejected Cheminade's campaign accounts, claiming that the loans were improperly raised because his supporters had not charged him interest! The ruling left Cheminade personally liable for roughly \$1 million.

Then, to make sure that Cheminade's voice would be stilled, the Paris Court of Appeals upheld the Pazéry conviction, even though, as recently as 1995, a medical report to the magistrates had concluded that there was no proof that Mrs. Pazéry—who until her death, drove her own car, regularly attended social events, and managed her considerable personal finances—had any mental disorder.

ment, was written and appended to the Stability Pact, both being “covered” by a common declaration of intent—the only thing in common they could ever had! This monster was adopted as “European policy.”

Jospin was blamed by part of the French left for his softness. But my thinking is that, for good reasons this time, he tried to do the only thing he could: prepare himself for a future fight. And if you look more closely at what was decided in Amsterdam, you see two things: At first blush, the French delegation only obtained vague pledges, no commitment and no money for their policy of European public works. The French proposal for a European Fund for Economic Growth in favor of advanced technology projects was rejected. But, second, the French delegation did get something: a precise calendar for discussing the key issues again. There will be an extraordinary European Council in Luxembourg to discuss how to create employment in Europe. According to the latest reports, it is going to take place on Nov. 21 or 22. And there will also be the official December European Council in Luxembourg, which will discuss a common paper of the European Commission and the Council on the Coordination of European Economic Policies.

So, the French delegation did manage to open the Pandora’s box of the physical economy: discussions in Europe will no longer be restricted to monetarism and financial management, but will include in the forefront economic development, public works, and employment.

This will come in a very tumultuous period of European history, at the end of this year. What has to be seen until then, is whether the Jospin government moves quickly toward a new political and economic agenda. I hope he will: Social dynamics are going to push him in that direction, and we, myself and my friends, are going to help to give direction to the process.

When he was last on TV, Jospin hinted at two things: that he is in favor of [the single currency] the euro, but on condition that it not impose any form of new austerity, and that if there is a contradiction between France’s European commitments and the need to create employment and growth, he would have to consult the French population on the nation’s future policy. Alain Madelin, the ultra-liberal spokesman of the parliamentary opposition, immediately rushed to the microphone and said: “Jospin is not saying it, but he is preparing French public opinion for a withdrawal from Maastricht and the euro.” This statement may be exaggerated, but not entirely false.

**Q:** Are there other pressures on Jospin, from outside the cabinet and the French Socialist Party (PS)?

**Cheminade:** The factional situation in the “French left” is extremely interesting. On one side, you have the ecologists and the CFDT trade union federation. The ecologists claim to be reluctant on the issue of Maastricht—they want “social

justice,” but oppose the notion of public works. Dominique Voynet, the greenie Planning and Environment Minister, clearly said: “In public works, you get to see a lot of dirt moved around, a lot of machines deployed, and very few people employed, while in the housing sector and in a lot of socially and ecologically useful undertakings, you can create a lot of employment per million francs invested.” This opposes the Socialist Party and the official Jospin line, that public works are necessary to launch a recovery in Europe, and to create employment.

It is, therefore, clear to everybody that the “compromise” cannot hold. There has already been a first clash on the issue of Super-Phénix nuclear fast-breeder reactor. Jospin, as a result of the electoral deal with the ecologists, as I said before, had to announce the abandonment of the project. But this is French politics, and there are various ways to conjugate the verb “to abandon.” The ecologists want an immediate stop to the whole project, creating an irreversible situation. But others in the PS, such as Strauss-Kahn and Industry Minister Christian Pierret, want instead to let the fast-breeder continue operating until the one and one-half [fuel] “hearts” that have already been installed, are consumed. This would mean that the fast breeder would keep going until the year 2005, before the definite abandonment. The Greens, the party of Dominique Voynet, have already protested, denouncing Pierret by name and blasting his speech to the National Assembly, where he said that nuclear energy is one of the bases for the French wealth and power.

This means that much sooner than expected, the conflict between the pro-industry, pro-science faction in the government and the ecologists is going to break. The Communists, or a large majority of them, and Chevènement’s party, the Citizens Movement (MDC), are going to side with the pro-science, pro-industry faction. And the dynamics of public works, if the Jospin government is serious about it, is going to create a break between the population and the ecologists.

This is all the more true, since Chevènement put his name forward very adamantly in support of public works, as well as against the Stability Pact. He went so far as to intervene in the Council of Ministers on June 18, which is unprecedented for a minister, to voice his utter hostility to the Stability Pact, in a situation where the government and the President do not belong to the same party. In a dramatic move, he said that he will remain part of the government because there is no other alternative, but he asked the general secretary of the government to register for future generations his opposition to the Stability Pact: “When, in the future, historians can open our archives, they will see that there was at least one minister to denounce the consequences of the Stability Pact.” Chevènement’s initiative received widespread coverage in the press, notably by his friend, MDC Deputy Georges Sarre, who commented that Chevènement “has always said that he maintains his confidence in

Lionel Jospin, but he notes that there are things that weigh heavy on the Socialists,” meaning the legacy of Mitterrand. He continued: “Jospin did not want to create a crisis in the first European summit of our government, but watch what is coming.”

Sarre and Chevènement were joined by Communist Party leaders, such as Alain Bocquet, Louis Viannet, head of the CGT union, and Maurice Blondel, head of Force Ouvrière (FO) union. Viannet declared: “This majority was put in power to go in a new direction. If, in the name of the constraints of the euro, Maastricht, and the Stability Pact, we find ourselves again on the track of a policy that has already been condemned, neither the CGT nor wage-labor would accept it. . . . We would greatly have preferred that the Stability Pact had not been signed as it is. Chirac has committed our country without any debate. . . . I hope that the European summit on employment this fall will become an opportunity to launch a strong trade union initiative. . . . Jospin has to listen to the people, and not to the civil servants from the finance administration.” Maurice Blondel added: “If an austerity plan is proposed this fall, there will be immediately a big fight.”

Interestingly enough, Jospin’s collaborators leaked to the press that he was not angry at those pressures, but instead quite happy. He refused, for example, to blame Chevènement for his tirade. . . .

Such social, political, and labor dynamic will make a debate on fundamental issues unavoidable this fall. And Jospin seems to be preparing for it. Now the ball is in the court of the other European states and of Bill Clinton. . . .

**Q:** To what extent did your own Presidential election campaign in 1995 shape the political debate in France?

**Cheminade:** My Presidential campaign should neither be overestimated nor understated. I put one thing on the table: the need to break with the financial cancer of the markets and the rule of the City of London and Wall Street. Jacques Chirac spoke, just after the April 1995 Presidential election, at the Halifax G-7 summit, of the “financial AIDS” caused by the markets. And then he buckled, and delivered his Oct. 24, 1995 speech, where he said, “We have no other choice than to be supported by the markets.” It is because of such a betrayal that Chirac and Juppé were defeated in the recent legislative elections. It is more the case that they were defeated, than that Jospin won victory, as such.

Now Jospin is facing a similar challenge: Either he confronts the markets, or the population goes against him. He knows that. And why is the French population more alert than others to that? There are historical reasons, linked to the drive for a Republic, the nation-state, in France. But it is also because, in the Presidential elections, I let the cat out of the bag, which was not supposed to happen. I made public something that was supposed to remain private, and

the flak that I got from the Establishment, at first damaged me and my movement a lot, but, given the Chirac-Juppé betrayal, gave me and my ideas a lot of credibility in the 10% of the population which has a say in politics.

Let me tell you a funny story: One of my colleagues at the National School of Administration, the famous ENA, attended a meeting of a left Christian group of civil servants, including highers-up from the staff of the Treasury. The discussion was about world international finances and the likelihood that the financial bubble would implode. Suddenly, a question came up, in the rather formal way, which is common in those circles: “Look, what is the accuracy of the problems laid out by Cheminade in the Presidential campaign? It doesn’t seem to me to be crazy or right wing.” The answer from one of the heads of the French Treasury Establishment was: “It certainly is neither crazy nor right wing. It is basically accurate, but you should never say so.”

Well, now with our new government in France, the issue is public, and the cat is out of the bag and running around French voters’ homes. Now, it is not just the 10% of the people who are well-informed who see the animal, but a majority of my fellow citizens. I have been blacked out of the press and left without money by a corrupt political power structure, but I watch happily as the cat runs around, meowing, and a few people in the Nomenklatura who are starting to wake up, look at me with astonishment: “Where have you been all this time since 1995? Didn’t you say a few good things after all? What is your American friend LaRouche doing?” They are not determined to defend me from the injustice I was subjected to, but they “open channels” in a typical French way.

And my cat is very busy sharpening its nails.

**Q:** What economic measures have to be urgently taken in order to get France and Europe out of the depression?

**Cheminade:** First, to announce that France will not continue to participate in the European process if a common public works policy is not immediately launched, throughout Europe and beyond. A new Marshall Plan approach is needed from the Atlantic to the China Sea, a new Eurasian Land-Bridge. This is the dimension needed for a recovery. The simple Delors Plan for large-scale public works in Europe, by itself, is insufficient to tilt the balance of strategic interests.

Second, European states should seek help and support from the United States, and demand that it abandon its complacency vis-à-vis the financial interests of the British Commonwealth and its allies, particularly the Bush and Gingrich circles within the United States itself. We, as Europeans, should immediately support those interests and forces in the United States, who try to put the Clinton Presidency on the path toward a New Deal. This means Lyndon LaRouche and his movement, and those in the American trade union movement who share a congruent commitment. Europe, and partic-

ularly France, should stop blaming “the Americans” for everything bad that happens in the world, and start looking at themselves in the mirror. It is time that they understand the term “Anglo-American,” which de Gaulle, to some extent, understood, as one in which the “Anglo” component is the leading one.

Third, these projects connected to the Eurasian Land-Bridge, the new horizon for Europe, need credit and currency in order to be financed. Nation-states need national banks to issue such credit and such a currency. Therefore, the autonomy of European central banks and the Maastricht austerity criteria should be abandoned forever, and instead, a policy of credit and currency issuance from National Banks should be adopted.

Fourth, the French government should call for an international conference to discuss these issues and adopt policies corresponding to the challenge of a world financial system that is about to implode, and a monetary system that produces only unemployment and asset-stripping. Of course, the French government, being too weak to impose such a drive, should work its policy through with China, Russia and India, and those circles in the United States willing to take the same challenge. The LaRouche issue, in such a situation, becomes a codeword for Europe. I see my role as a reference point for his ideas and his conception for a new world financial, monetary, and commercial order, and for the bankruptcy reorganization of the present financial-monetary system, with an orderly cancellation of all bad financial debt, to make room for productive investment. . . .

**Q:** Let me shift to foreign policy for a moment: The Summit of the Eight in Denver was pretty much a disaster in respect to French-American relations. Why?

**Cheminade:** The summit was, by all means, a disaster—but an irrelevant disaster. I mean that all the issues discussed there were even more irrelevant than a discussion of how to arrange the deck chairs on the *Titanic* would have been. Denver was a circus. Nothing on future French-American relations can be deduced from what happened there. It is noteworthy that Jospin refused to go. I don’t want to be Chirac’s little helper, he said, and be bored and enraged by lectures on neo-liberalism.

As for the more serious question of French-American relations, it is crucial that Jospin and at least some people in his government, have an understanding of what LaRouche and his friends are trying to do in the United States. And that they understand the Clinton issue in that context. If they don’t, they may ruin everything they are trying to accomplish otherwise. They should think about the consequences of Jaurès’s misunderstanding of American politics in 1914, and his misinterpretation of what Woodrow Wilson and the Anglo-American banks were up to. A very unfortunate mistake of a great man, for Europe and for the world. I do my best to avoid letting his present followers commit a similar mistake.

**Q:** What about relations between France and Germany? After all, a lot of people in Germany would like to escape from the deflationary Maastricht straitjacket.

**Cheminade:** Well, it is very simple. Without extreme austerity measures, which will wipe out their respective governments, neither France nor Germany is going to be able to meet the Maastricht criteria of a public deficit below 3% of the Gross National Product.

Dominique Strauss-Kahn, who speaks fluent German and is an admirer of German culture—notably Heine—said it very bluntly. On June 26, in the economic journal *Forum de l’Expansion*, she declared that “in the present state of affairs,” France is going to go over the authorized limits. In private, it is acknowledged that this year, in 1997, the public deficit will be at least at 3.8%. Furthermore, Jospin has refused to privatize France Telecom, the public telephone company, and therefore, to “hold up” the pension fund of its retired workers, as Juppé wanted to do. This is 37.5 billion francs, that is, about 0.5% of the French GNP. With no new austerity measures, which Jospin pledged not to take, and since  $3.8 + 0.5 = 4.3$ , we are quite far from 3%.

At precisely that moment, Chancellor Kohl stated, on June 30 in Berlin and on July 1 in Munich, that he considers 3% to mean 3.0%.

This simply means, to my best rational knowledge, that Maastricht is finished, and that Chancellor Kohl is pretty far advanced in digging his own grave. First, because Germany is itself well beyond the 3.0% mark. If Kohl and [Finance Minister Theo] Waigel try to impose the 3% criterion on their country, they would have to further cut the living standards of the pensioners and wage-earners, and as well as cutting tax rebates to firms. Second, because some German Social Democrats, for their own opportunistic reasons or otherwise, are starting to listen to Jospin. Therefore, I see Kohl’s political grave becoming deeper and deeper, if he keeps going on that way. If they freeze all payments on the railway debt, then the long-protected taboo of not touching the debt payments is violated, and the political corpse of Chancellor Kohl will be buried.

To finish with France, it is another sign that the Jospin government has decided to finance its minimal new social measures, not by cutting another 10 billion francs from other spending, but by “unblocking” funds frozen by the Juppé government at the beginning of this year as a sign of submission to the austerity of the markets. This is not so important concretely, but very important symbolically. Jean Arthuis, the co-author of the Dublin Stability Pact, immediately commented: “If the government undertakes new spending without saving corresponding amounts of money, it runs the risk of disqualifying France for participating in the euro.”

So, there is an area of necessary and natural agreement for France and Germany, but agreement must occur outside the Maastricht straitjacket, and be located within the framework of the Eurasian Land-Bridge.