Criticism of German Surplus May Backfire

Nov. 11—*Helga Zepp-LaRouche, the President of the Civil Rights Solidarity Movement (BüSo) in Germany, issued the following statement Nov. 10, on the international attacks on Germany's export surplus.*

Beginning with the six-month report of the U.S. Treasury (Oct. 30), an unholy alliance was forged which finally identified the "villain" responsible not only for the problems of the Eurozone, but of the entire world economy: Germany and its export surplus. The IMF, the EU Commission, *New York Times* columnist Paul Krugman, and Italian politician Romano Prodi, who even called for a "Latin Front" against Germany, all agree with the charge. "France, Italy, and Spain should together pound their fists on the table," Prodi told the *Quotidiano Nazionale.* These three countries have a majority in the European Council, as well as on the ECB Board, and in other institutions such as the European Investment Bank, and they could force Germany to curb its exports and reduce the current account surplus.

This rationale is as incompetent economically as their intention is transparent. Even the little remaining resistance in Germany to the ECB's hyperinflationary policy of "quantitative easing" is supposed to be broken, and the minimal influence exerted by the various nations on the bank resolution mechanisms is supposed to be eliminated.

To blame the trade balance deficit of Southern European countries on a German export surplus, which has been the hallmark of the German economy since the Bismarck reforms—whether under the mark, the rentenmark, the reichsmark, the D-mark or the euro—is hypocritical. The strong competitiveness of products "Made in Germany" has been the result, at least until now, of the higher rate of scientific and technical progress in the German economy.

The deficits in the South, on the contrary, are the result of the fundamental flaw of the euro, which promoted the formation of financial bubbles, and is now strangling the real economy of those countries, and shortening life expectancies, through the murderous policy of the EU and the Troika of balancing the budget at any price. The German people have not profited from the euro, only companies that export have, while the domestic market is stagnating, and urgent investments in hard and soft infrastructure have been denied.

Should the international pressure continue, and should Germany be pushed against the wall, we will have no alternative but to draw the consequences and change our orientation. In any case, close economic cooperation with growth-oriented countries in Asia holds out better perspectives for the future than remaining in the trans-Atlantic dynamic, which is much more committed to high-risk speculation than to a return to real economic growth. The fact of the matter is that neither Germany nor any other country in Europe has the slightest chance of escaping the "liability cascade," and thereby expropriation by EU institutions, as long as they stay with the failed experiment of the euro.

In contrast, by introducing a Glass-Steagall bank separation and re-establishing monetary and economic sovereignty, we could put an end to the casino economy and develop the real economy throughout the world.