

Glass-Steagall Will Strike the Financial Oligarchy at Its Root

Jacques Cheminade, former French Presidential candidate and leader of the Solidarité et Progrès political party, was interviewed on Voice of Russia, which posted the discussion on Jan. 27, under the headline “Jacques Cheminade: Frapper l’oligarchie financière à la racine” (“Striking the financial oligarchy at the root”).

VoR introduced Cheminade thus: “The oligarchy’s real role and strategy, the means to fight speculative finance, implementing a new international system, great projects for development, Russia’s role, nuclear war danger... For the Voice of Russia, French intellectual and politician Jacques Cheminade, who was twice presidential candidate, gives his analysis.”

Voice of Russia: Jacques Cheminade, hello. Could you introduce yourself to our readers? How do you situate yourself politically?

Jacques Cheminade: In terms of the French political universe, I call myself a “left Gaullist,” which means I defend the right of peoples to self-determination and economic and social progress. I am against an international financial and monetary system based on the issuance of fictitious capital, i.e., counterfeit money that allows neither social improvement nor real development of the physical economy.

Karl Marx, in the third book of *Capital*, chapter 25, analyzes this destructive aberration of capitalism, an analysis pursued by Rosa Luxemburg and Rudolf Hilferding, each in his own way.

Opposing the financial oligarchy, which is promoting such a destructive policy, and is driving for war, my objective is to catalyze French political forces bringing together the socialism of Jean Jaurès, the Gaullism of the Resistance, social Christianity in the Marc Sangnier tradition, and the radicalism of Pierre Mendès-France, not necessarily all together in the same government, but to wage a joint struggle against the main adversary. I act in the spirit of General de Gaulle’s speech in Phnom Penh (see box) and of Mendès-France in *La République*

Moderne, and even more so of the program of the National Resistance Council of March 15, 1944.

No one today in France is coherently polemicizing for such a policy, and I think of my role as that of a trail-blazer, to lead my country to the place it should rightly hold in the world.

A Lack of Journalistic Ethics

VoR: I would like to revisit the latest Presidential campaign in France, in which you were a candidate. Many were struck by the disdain and the aggressiveness in the way questions were asked [of you], for example, in an interview on the public TV La Chaîne Publique, LCP, or on the public radio, France Inter. What in your opinion is the reason for the lack of such elementary journalistic ethics?

Cheminade: There are three interrelated things. First of all, you have the tribal spirit dominating the media, political, and cultural world in Paris, which says I should not exist, not only because I am not a product of it, but I am in active opposition to it.

Also because the Atlanticist and oligarchical policy currently dominating official France cannot accept the existence in France of a friend of the American political figure Lyndon LaRouche; [a French leader] who represents a “certain idea of France,” as defined by de Gaulle; and who was sponsored by more than 500 mayors, which means some 1.5% of all the mayors [in the 2012 French Presidential election]. LaRouche, in the United States, is fighting against the party of the British Empire, or Anglo-American Empire, which also dominates France through its financial and cultural networks. That there should be a link spanning the Atlantic between those who oppose this system is simply intolerable for the “oligarchy of losers” which also dominates France through its financial and cultural networks.

Finally, because the theme of my campaign—“A World Without the City [of London] or Wall Street,



Jacques Cheminade, interviewed on Voice of Russia Jan. 27: "I think of my role as that of a trail-blazer, to lead my country to the place it should rightly hold in the world."

Great Projects for Tomorrow"—would have attracted the French, who are just waiting for a truly progressive, patriotic "outsider." Therefore, they had to create confusion around my ideas, by twisting my positions and attempting to ridicule my space program in particular, although it has the esteem of the European Space Agency.

VoR: Your main focus has long been the struggle against international speculative finance, the faceless enemy that François Hollande brought up in the Presidential campaign, in his Le Bourget speech. It is true that this world of finance has no face? How can you define it?

Cheminade: The face of international finance is that of an oligarchy which is mainly active today in the City of London and Wall Street, and which acts against the interests of peoples and nation-states, insofar as they mount resistance to the oligarchy's domination. It is served by the main leaders of the

"trans-Atlantic world," while the European Union, which European Commission President José Manuel Barroso called "a non-imperial empire based on mutual consent," is its "continental" ally.

The British Empire's strategy of "divide and rule" has been fully adopted by this oligarchy, which manipulates conflicts over mainly social issues and diverts them into religious conflicts—Jews against Muslims, atheists and Muslims against Christians, Shi'ites against Sunnis—and promotes different forms of racism (anti-Semitism and Islamophobia feed into each other).

The Importance of Glass-Steagall

VoR: In your economic program, you make the struggle against finance conditional on enacting a Glass-Steagall law, which would separate deposit banks from investment banks. Why do you think this measure is so important?

Cheminade: The return to Glass-Steagall is crucial for striking the financial oligarchy at the source. This system is centered on the fact that the "universal" banks are supported by the central banks—and in the Eurozone, by the ECB—which refinance them at a ridiculously low rate; and those universal banks rely on massive amounts of corporate depos-

its to guarantee their predatory speculative activities. If they are separated under different roofs, banks taking deposits and extending loans on the one hand, and banks trading on the financial markets on the other, that privilege will disappear.

A true separation will lead to exposing the physically fictitious nature of the overwhelming majority of claims held by the "investment" branches of the major banks considered "too big to fail." Those who gambled should no longer be bailed out, to the detriment of the taxpayers, nor bailed in, to the detriment of depositors, but will have to pay the price for their mistakes and their partially or totally criminal schemes. We will have to proceed with their bankruptcy in an organized and orderly manner, which is the only way to avoid their political blackmail. This is what the Glass-Steagall directly involves: It's not just a technical measure, but a political weapon to clean up the environment and build a world "without the City of London or Wall Street."

We can then implement a true policy of long-term, low-interest, productive public credit for physical and human infrastructure, creating the economic and social conditions for a recovery in the mutual interest of the peoples and the states.

Maurice Allais, the only French Nobel Prize winner in economics, was a firm supporter of such a system, which I discussed with him many times.

VoR: But hasn't progress been made, in particular, with the July 26, 2013 law relative to separating and regulating bank activities?

Cheminade: The so-called law on banking separation of [Finance Minister] Pierre Moscovici, of July 26, 2013, is, unfortunately, nothing but an economic sham, scarcely more sophisticated, as shams go, than the cardboard tanks of Saddam Hussein. Under pressure from the French banking lobby, which is closely connected to its Anglo-American counterpart, the law leaves our banking system in the same risky situation it was in at the beginning of the crisis, but this fake reform entails a very real austerity policy for workers and for the real economy.

On Jan. 30, 2013, at a hearing of the Financial Committee of the National Parliament, Mr. Frederic Oudéa, the CEO of Société Générale, admitted that the proposed reform would change very little for the business of the major banks. The separation, he said, pertains to “between 3 and 5% of our investment banking, which amounts to 15% of the bank’s total income.” The calculation is simple for anyone: 5% of the total 15% of the total income of the bank comes out to 0.75%. In other words, the law does not apply to 99% of the Société Générale’s business! For the other banks, the maximum figure is 98%.

The banks can continue to have subsidiaries in tax and offshore havens; they will simply have to provide figures of a very general nature. They can continue to organize products for their clients with which to speculate on farm commodity prices, and to carry out high-frequency trading (purchase and sale of securities on extremely short term) by engaging in “market-making” activities, which remain authorized in the main. As in Luchino Visconti’s film “The Leopard,” they claimed to change everything and changed nothing.

De Gaulle on Vietnam: ‘No Military Solution’

On Sept. 1, 1966, President Charles de Gaulle delivered a speech in Phnom Penh, addressed to Prince Norodom Sihanouk, in which he praised Cambodia for remaining neutral in the conflict that was then emerging between Vietnam and the United States, and warning that a military solution would not be possible. He said:

“France considers that the fighting that is ravaging Indochina, by and of itself, offers no end. In France’s view, if it is unthinkable that the American war apparatus will be annihilated on the spot, there is, on the other hand, no chance that the peoples of Asia will subject themselves to the law of the foreigner who comes from the other shores of the Pacific, whatever his intentions, however powerful his weapons.



De Gaulle in Phnom Penh, September 1966.

“In short, as long and cruel as the ordeal must be, France holds for certain that it will have no military solution...”

The [speech](#), in French, is posted online.

Such cowardice lets the Socialist government buy some time, but in the upcoming financial and monetary storm, it doesn't afford them any real protection. But it does leave the European and worldwide political stage open to those, as Jean Jaurès put it, whose clouds are a portent of war, because their system by its very nature is incapable of ensuring mutual development.

VoR: In your program, you speak of a Bretton Woods, that is, an economic system of public credit disconnected from speculative finance, to serve great infrastructure projects. At a time when the G8 and G20 summits are seeking solutions to relaunch and stabilize the world economy, what are the major obstacles to setting up such a new system? Why can't they reach an agreement on that?

Cheminade: The obstacle is the financial oligarchy's control of the trans-Atlantic countries. If they are freed from this oppression, through Glass-Steagall, we will be able to implement an order of public credit bringing together different countries for great projects which will "produce productivity." After the Second World War, just as in the United States from 1933 on under Roosevelt, France also had such a two-tier banking system. That is how we could generate credit for reconstruction while preventing those funds from being used for speculation. At the time, we had next to no savings, but we were able to rebuild thanks to public credit for infrastructure!

The fundamental political and economic question is: Who controls credit and what it is used for.

Today, it is controlled by speculators linked to an oligarchy which is criminal because it is unable to ensure investment into the general welfare and future generations. With a global Glass-Steagall and the new Bretton Woods, we will have the means to use public credit for joint projects useful for all of mankind. For example, the [Strategic] Defense of Earth initiative presented by [Deputy Prime Minister of Russia] Dmitri Rogozin would be a driving force of such a new Bretton Woods.

Great Projects To Finance Human Creativity

VoR: Great projects are very important for you. What are they, what do they involve, what is at stake here?

Cheminade: Great projects are meant to finance human creativity; they represent the application of sci-

entific discoveries to new and more productive technologies per person, per kilometer, and per gram of the matter used. On a national level, the physical infrastructure needed to make use of such new technologies must be provided, while at the same time, setting up the human infrastructure needed to ensure the skills and the standard of living needed to implement such technologies. That means building schools, hospitals, laboratories, and housing.

Such an "optimistic," future-oriented vision is contrary to the perverted "green" ecology which assumes that less and less dense energy sources can be used. The oligarchy promotes "greenie environmentalism" because it spreads cultural pessimism and doubts about the creative capacities of man. It leads the enemies of its power into the dead-end of political and cultural impotence, and in that way, they become accomplices in promoting technological decline. Thus, the oligarchy, which depends on speculation, and is unable to invest in future discoveries and technologies, uses those who promote "sustainable" technologies and decry great projects, as "useful idiots."

Great projects define a "Promethean" strategy, not for the sake of dominating, but to develop what is human in man, his creative powers placed in the service of the general welfare and the generations to come. And to help him recover his self-respect by seeking the future.

We have proposed a number of great projects, which should add up to both a worldwide land-bridge and a platform for space exploration. Projects of this dimension should bring countries and peoples together, and ensure the mobilization for peace and the mutual development of the resources available to mankind. We must do in the 21st Century for peace, what we did almost only for war in the 20th Century.

Just to name a few of these great projects:

- A "Eurasian Land-Bridge," setting up development corridors and rapid transportation arteries from the Atlantic to the China Sea.
- The link between this "bridge" and the American continent through the Bering Strait, as proposed by Russian and American experts and technicians.
- The NAWAPA [North American Water and Power Alliance] project of our American friends, which involves bringing water to the central plains of the U.S. and California from the rivers of the Great North, water which is not used today.



"We have proposed a number of great projects, which should add up to both a worldwide land-bridge and a platform for space exploration," Cheminade told VoA. Above: an artist's concept of a bridge across the Bering Strait, connecting North America with the Russian Far East, and featuring maglev trains; below: The Extended NAWAPA into Africa, in an artist's rendition.



- Plans to exploit the immense resources of Siberia, in particular, by China and Russia.
- Plans to replenish the water in the desert or near-desert parts of Africa, such as refilling Lake Chad by diverting the flow from the northern basin of the Congo up to the Ubangi-Chari area (Transaqua), refilling the Tunisian and Algerian chotts [salt lake beds] with water, and restarting construction of the Jonglei Canal in South Sudan.

This should form a unity in diversity worldwide, to-

gether with space programs of a common interest for all of mankind, setting as a horizon the exploration, knowledge, and control of the inner Solar System (detection and control of asteroids and comets, meteorology, knowledge of other planets and their moons, exploitation of the helium-3 on the Moon for use in thermonuclear fusion power, etc.).

All responsible political leaders should think in terms of such a horizon, and not remain in the short or intermediate term, without questioning the parameters of a system unable to ensure a future.

A 'Cold War' Conspiracy?

VoR: In French political life, you are almost the only person who regularly speaks about the American strategic shield (ABM) set up in Europe, and you share the Russian viewpoint on this subject, and on many others as well. You are in favor of a rapprochement between France and Western Europe on the one hand, and Russia on the other. What do we have to share? Isn't the gap widening between Europe and Russia?

Conversely, you denounce the stronghold of Wall Street and the City of London. Isn't this a very "Cold War" conspiracy theory view of things?

Cheminade: We must, at all costs, prevent the gap between Europe and Russia from widening. To be frank, what I fear is the preventive-war doctrine adopted by NATO, in connection with the great economic crisis of the trans-Atlantic world. At the same time, faced with the threat of encirclement, I can understand, in light of Anglo-American military and political pressure, that Russia also had to adopt a preventive-war policy. I read in Ria Novosti of Feb. 5, 2010, that

“Russia reserves the right to use nuclear weapons in the event of an attack with nuclear weapons or other WMD against it and/or its allies, and in the event of aggression with conventional weapons that endangers the very existence of the State.”

Call it what you will, “conspiracy theorist” or “very Cold War view,” the fact is there. In other words, the end of the Cold War, which happened during the rule of an oligarchy which claims to be “liberal,” but in fact, serves a financial dictatorship, has paradoxically created the (theoretical) conditions for an American-Russian thermonuclear war.

That is why we have to get out of this dilemma very quickly! And put into place the Eurasian Land-Bridge, which I support as an instrument of peace through development in order to get out of a situation, that of the domination of the financial oligarchy in the trans-Atlantic region, which is leading us to war.

The French daily *Libération*, in its Jan. 23 issue, ran an editorial by François Sargent which reflects very well the state of aggressive thinking, to say the least, of these Western warhawks. He writes: “The European Union must not only condemn and unambiguously impose sanctions on [Ukrainian President] Yanukovych, a corrupt autocrat, but also [Russian President] Putin, who is attempting to reestablish a buffer zone of vassal states around Russia. The international community has already allowed another client of Putin, Damascus, to do what it wants. It is more than time to mobilize for the freedom of Kiev.” *Le Monde* has made similar comments, and together with the *New York Times* and the International Consortium of Investigative Journalism, devoted five pages, complete with color pictures and graphics, to denouncing the “hidden fortunes of the Red Chinese princes.” The latter are, of course, not irreproachable, but the offensive spirit displayed by these publications, which would never have done such a thing by themselves, is evident.

Have I misread, or is war being heated up? That is why I insist more than ever that peace must be defended, not vainly by words, but by projects of mutual development.

VoR: Your political movement is often considered by your detractors as conspiracy theorists and far right-wing. Your comment?

Cheminade: Those who say such things discredit themselves. Their aim is to prevent everything I just

told you from being heard in France. They leave the field open for people like Marine Le Pen or [Jean-Luc] Mélenchon, who, rather than thinking, just vituperate. The oligarchy, which does not fear them, gives them coverage in order to create the illusion that the only opposition to the oligarchy is destructive and has no real program.

Impact of the Presidential Campaign

VoR: During the 2012 Presidential campaign, you got 0.25% of the vote, 0.28% in 1995, when you also ran. Don’t such low results and the content of the current debate as carried out in the media, push you to envisage a different type of political action, or other forms of commitment that are more efficient, and do not necessarily involve the election campaign and the election?

Cheminade: I did not run in order to get votes, but to say what I had to say. It was heard by the French better than most think. The people who come up to me to shake my hand in the street when I’m traveling outside of Paris attest to that. They tell me: “You are the one who was right and who explained what is happening.” Many of the mayors who sponsored my candidacy now disseminate the Glass-Steagall principle and have their municipal councils vote resolutions supporting it. At our initiative, the General Council of the Ille-et-Vilaine Department voted up such a resolution for a true separation of banks.

I hold conferences all over France on that subject, and on the need to return to a vision of great projects and mutual development, both nationally and internationally. Our greatest limitation is the lack of financial resources, but it is also the proof of our honesty. For a long time, attempts have been made to discredit me, and the rejection of my campaign accounts by the Constitutional Council in 1995, on legally false grounds, while the accounts of [Jacques] Chirac and [Édouard] Balladur should have been rejected, attests to the relentless attack on my ideas, just as the slanders against me do. I take it as the homage that vice owes to virtue.

What is new is that, in the midst of the crisis hitting France, it is increasingly recognized that my approach is in line with our tradition of the public sector and public service, on the opposite end of the egoisms that have been unleashed by “financial liberalism,” whether on the right or on the left.