

HELGA ZEPP-LAROCHE'S CAMPAIGN PLATFORM

How To Save Europe From Its Life-or-Death Crisis

Helga Zepp-LaRouche, Chancellor candidate of Germany's Civil Rights Movement Solidarity party (BüSo), released the campaign platform of her party on July 22, as part of the drive toward the German Federal elections called for Sept. 18. We reproduce the full document below, because of its significance as a model for what European leaders should be doing in order to meet the challenge of the present crisis. The full title is: "Back to the D-Mark for a Policy of Directed Growth! Germany's Economy Must Grow Again! For a New, Just World Economic Order!"

Dear Voters:

Germany is currently gripped in a life-or-death crisis. We have not 5 million, but in reality about 9 million unemployed, and of those, the long-term unemployed and their families are under imminent threat of being plunged into poverty. In Germany's eastern states, the number of job opportunities is steadily dwindling, as is the number of young people remaining there. But also in the western states, many small and medium-size businesses are struggling under conditions which have distorted normal competition—from Basel II, all the way to the transfer of cheap production into the European Union's new member states. Our domestic economy is collapsing at an accelerating rate. And meanwhile, people are getting the feeling that there's no one up there who cares about them. The political establishment and top management have almost completely betrayed the population's trust, because they have consistently given the impression that they are concerned more about their own advantage, than about the general welfare.

Something must change in Germany—something fundamental. We need a completely different policy, one oriented

exclusively toward the general welfare, and which locates the human being, and not money, at the very center of policy-making. And this is why I ask you to actively support my candidacy for Federal Chancellor, and the BüSo's election campaign.

There is no hope for Germany, so long as it remains embedded in the system established by the Maastricht Treaty, the Amsterdam Treaty, and the so-called stability pact. All that faces it under those conditions, is a drastic worsening of the crisis, and a slide into chaos. Because these treaties have robbed us of the possibility of taking effective countermeasures to overcome the crisis; because by signing them, we handed our sovereignty over our economic and financial affairs to the European Union Commission and to the European Central Bank. In other words, these treaties explicitly forbid precisely those steps which would make economic recovery possible!

Therefore—and this is the program I stand for—Germany must immediately and unilaterally withdraw from the Maastricht Treaty and the European Monetary Union, and must reintroduce the deutschemark as its national currency, so that it will be able to implement a well-defined policy of economic growth. The old Stability and Growth Law of 1967 must be reactivated, in order to remedy the "condition of economy-wide imbalance"—which certainly exists today, given our 9 million unemployed—by launching a state-supported investment program for productive full employment. Henceforth, the euro's role should be reduced to that of a unit of international account, similar to the European Currency Unit's role in the former European Monetary System. Also, from the standpoint of international law, Germany is entirely justified in withdrawing from the Maastricht and Amsterdam treaties, because the presumption that they are in the self-interest of



EIRNS

Helga Zepp-LaRouche, running for Chancellor of Germany, has just issued her party's political platform.

Germany, does not hold true. Quite the contrary: These treaties are ruining Germany!

Such a return to the deutschemark as Germany's sovereign currency, must be but one aspect of an entire packet of measures, which I shall enumerate further below. The most important point—something which has not even been broached by any of the parties currently represented in the Federal Parliament [Bundestag], nor by the new so-called Left Party—is the fact that the free-market economic system, as it is currently associated with the globalization of the world economy, is hopelessly, irrevocably bankrupt, and that it is now in its final phase of systemic collapse. The demise of the entire U.S. automobile manufacturing sector, the resulting hedge-fund losses, and the imminent collapse of domestic real-estate markets around the world—to name only a few of the most dramatic aspects of this systemic crisis, which could easily touch off a super-collapse any day now—are bound to put the crucial question on the agenda, namely: What mechanisms are available to the government for defending the public interest and the general welfare? “People first!” and only after that, the banks—and not the other way around—must become the watchword.

The global economic and financial crisis can only be solved, of course, through an international reorganization of the world financial system—an action in which a bipartisan alliance within the U.S. Congress could play a significant role. In both the U.S. Senate and in the House of Representatives, intensive discussion is already well under way—especially among Democrats—over how we can return to the policies of Franklin D. Roosevelt, that is, to his New Deal and to the

Bretton Woods financial system inspired by him. Moreover, a group of moderate Republicans has come to realize the urgent necessity of using such a policy to defend what is left of America's industrial capacity, not only in the auto industry, but generally. Meanwhile, the continuing investigations of the lies that were deliberately fed to the Congress in order to dupe them into approving the war against Iraq, are casting dark, gathering Watergate clouds over Washington—something which could well bring about a sudden change for the better in American politics.

But there is *nothing* that will stop the crisis of the world monetary system from coming to a head in the very near-term (and this could happen, in any case, before the election on Sept. 18, but certainly not very long after that), so that an immediate emergency conference must be called. At that point, leading nations of the world must, hopefully as a result of the positive initiative of the United States, decide on a New Bretton Woods System, which will be based on the best aspects of the Bretton Woods System of 1944, but go beyond it by applying the scientific criteria of physical economy to the determination of the value of currencies.

Derivatives speculation, which is running off the rails, and over which neither any government nor central bank has an overview or control, must be essentially abolished, through agreements between governments. To tax derivatives through a Tobin tax or something similar, would only perpetuate the problem of the bubble economy. There must be a broad-ranging reorganization of debts, of which the majority will never be paid. Thereby, the short-term debts with high interest rates will be turned into long-term credits with low interest rates, and several categories of illegitimate debts will be totally written off. A fixed currency must immediately be established, so that speculation against currencies is totally unauthorized, and cannot criminally destroy people's livelihoods. Long-term investments in the international arena, for example, in infrastructure, are not possible without a fixed currency regime.

The right of credit creation, which is now in the hands of private interests, must be brought back under the sovereign control of governments and parliaments, because only they can be held accountable. Because the European central bank is only a daughter of the national central banks, and these still persist, it is no problem to return sovereign control over currencies to the control of sovereign governments. The national banks must then issue new credit lines, in order to enable directed investment into areas of the general welfare, through which real capital value is created, and which, therefore, is not inflationary. For domestic economic investment, the model of the Kreditanstalt für Wiederaufbau (Reconstruction Finance Agency) can also be used, as it was the model for reconstruction after World War II.

The first approximation is that approximately 400 billion D-marks of available productive credits must be provided every year in Germany, in order to achieve productive full

employment as quickly as possible. In other nations, credits adjusted to their conditions must likewise be issued for well-defined projects. In the United States, it is estimated that \$1 trillion must be issued for productive investments through the national bank, and in Europe comparable credits of the equivalent of about 1 trillion euro must be issued. This is basically the same policy which Franklin D. Roosevelt implemented with the New Deal, by which he led America out of the deep depression of the 1930s, and transformed it into the world's leading industrial nation.

How Did the European Currency Union Come About Anyhow?

Even if some government representatives refuse to recognize it: Actually the ground has been pulled out from under the European Currency Union by the "no" vote of the French and the Dutch to the referendum on the European Constitution. Nevertheless they still cling to the ratification process. But the preferred currency union of the European political union had proved itself just as problematic, as Helmut Kohl had concluded at the end of 1989. Now ten new eastern European EU members are pressing to become members of the Euro-Zone, which will distort and make the conditions for the member states of the so-called "highland" countries more unbearable. The EU Establishment itself now realizes that the precipitous European Currency Union was a dead-end street, and the admission of ten more members into the Euro-Zone would only make the disputes much worse.

Let us briefly recall how the euro came about. After the fall of the Wall in 1989, the Kohl government was surprised by several declarations of a perspective of immediate reunification, because it had not prepared any practicable concept for this eventuality. In his "Ten-Point-Program" issued in a speech before the Bundestag on Nov. 28, Kohl proposed a confederation—not reunification—between the two German states. But the reaction of most of the Allies ranged from open to covert rejection. Margaret Thatcher herself tried with all her might to prevent a solution like the reunification of Germany, of all things, and she launched the "Fourth Reich Campaign"—the absurd charge that Germany was again seeking domination over Europe.

Mitterrand linked France's agreement to the confederation—not even to reunification—to Kohl's conceding to the proposed European Currency Union and the abandonment of the "hard" deutschemark. George Bush Sr. was also not originally for a confederation or unification, but then he was convinced by his advisors that the United States would lose its influence in Europe, if it pursued an open policy against reunification. Thus the Bush Sr. Administration supported a policy of "containment of Germany through self-containment," that is, the handover of sovereignty to supranational European institutions, just as then were established in the Maastricht and Amsterdam Treaties.

Mitterrand insisted that Kohl agree to the Currency Union

at the Strasbourg summit of European Council on Dec. 8-9, 1989, about a month after the fall of the Wall. Mitterrand dismissed Kohl's hesitations about what consequences the European Currency Union would have on the stability of the economy, as "common space." Under the pressure of the circumstance—Kohl later said that he had gone through the "darkest hours" of his life in Strasbourg—Kohl agreed to the Currency Union on the timetable Mitterrand wanted.

I myself had already presented in November 1989, in a leaflet with the title "Beloved Germany, Keep Going," a totally different program, which later, in January of 1990, was on the agenda as the program of the "Productive Triangle Paris-Berlin-Vienna," an economic reconstruction program for the later emerging countries and Eastern Europe. Had this program been realized, a reunified Germany would have become the kernel of the combined economic region Paris-Berlin-Vienna, as a motor for the actual development of the East. The assassination of Alfred Herrhausen [chairman of Deutsche Bank], who proposed a very similar concept for the development of Poland, and the ensuing assassination of Detlev Rohwedder [who, after reunification, was in charge of salvaging state-sector industry in former East Germany], instead shifted the situation toward the economic "stripping bare" of the East.

Why Doesn't Europe Function?

Through the Treaties of Maastricht (the Currency Union) and Amsterdam (the Stability Pact) Germany has given up its constitutionally guaranteed civil rights and sovereignty over its own economic and financial policy. And as long as Germany is bound by these treaties, the government can do absolutely nothing to eliminate the consequences of globalization, or the euro. Yes, there is a very solid connection between the euro, rising prices, unemployment, and the crisis of the social system.

Before the introduction of the euro, capital and foreign investment flowed into Germany, even though it was a country with high wages, good social services, and high taxes. The reason for that was the stable, solid D-Mark and Germany's highly attractive location, because of the high productivity of its productive plant and workforce. Germany was more attractive than countries which had lower costs, but higher currency risks, less developed workplaces, and inferior infrastructure.

After the introduction of the euro, Germany became impoverished, just like other European high-wage countries, because, above all, big capital turned toward the cheap production countries, which are, in most respects, cheap because the population is poor, and has low wages, and the public assistance is inferior. Under these conditions, the high wages and social costs in Germany were a disadvantage. The middle-size enterprises were forced to shift their production into these countries, and had to lay off our highly qualified workforce. At the same time, the workforce which flowed here out of the

cheap-production countries, where—still—there are higher wages, produced wage-cutting in the high-wage countries, which undermined wage agreements.

The alleged advantages, which the previously poorer countries, like Greece, Ireland, or Spain have achieved through the euro, turn out to be for the most part, an inflationary bubble—look, among other things, at the real estate sector in Spain—a process which is made still worse by the uniform interest policy of the European Central Bank. Inflation in the developing countries, and deflation in the high-wage countries is the result—totally aside from the fact that all of Europe cannot function, if the German economy has collapsed into depression.

In Germany there is much too little discussion about the consequences of the European Currency Union for the German economy, the Swedish neo-liberal economist Lars Calmfors wrote a year ago in the German edition of the *Financial Times*. But his conclusion from this indisputable fact was not that the German economy must leave a system which is ruining it, but that the German economy should submit itself to this system even further. Concretely, he proposed a so-called “internal devaluation,” therefore a reduction in real wages through the raising of the Value Added Tax and the shifting of the social taxes onto the wage-earners. Doesn’t this sound exactly like the new electoral program of Mrs. Merkel?

The so-called Scandinavian model, which has now been proposed by the CDU/CSU [Christian Democratic Union/Christian Social Union], is nothing other than the delivery of vinegar with a little bit of sweet stuff, so that the victims don’t notice the bitterness so much. This proposal doesn’t make any economic sense. The problem of the German economy is not a lack of the ability to compete, as the growth rate of exports shows. But the domestic economy is collapsing, which becomes worse and worse because of the dramatic collapse of buying power caused by the lowering of real wages.

Feudalism or the General Welfare?

There is currently in Germany a whole chorus of voices, calling for reducing or eliminating the role of the state. They reach from the “federal reform” demanded by the CDU/CSU, to the “slimming” of the state, to the far-reaching privatization proposed by the Liberals. And then there is the radical attack on the social state and basic law by the conservative revolutionaries like Meinhard Miegel, Arnulf Baring, or Hans Tietmeyer, who all present variations on the same policy. If one looks beyond the labels and at the inside of the package, one sees that behind the extreme demands for privatization and the reduction of the role of the state, is hidden the demand for a return to Feudalism, under which everything was “privatized.”

Until the formation of the modern sovereign nation state in the 15th Century, all privileges belonged to the “private” interest of the nobility, whose claim to power was based on

the fact that the masses of the population were kept in relative bondage, poverty, and backwardness. This oligarchical system depended upon the fact that only the nobleman had God-given rights, while the masses of the population had no more value than human cattle, whose number could also be reduced if need be, if the rulers wanted.

It was first in the Italian Renaissance, the writings of Nicholas of Cusa, and the rule of Louis XI of France that the idea was set forth that a government was only legitimate if it served the general welfare. The orientation to the general welfare expressed itself through the government raising the living standard of the population by the development of scientific and technological progress and a better education. At the same time, representative republics began to be developed, so that for the first time, the individual could participate in the government. The government and the elected representatives were now pledged to the defense of the population.

With the American Declaration of Independence, which proclaimed the inalienable rights of all people for the first time, in the context of the battle for a constitution, and the American Constitution itself, this principle achieved a real breakthrough. The Declaration of Independence and the Preamble of the American Constitution established clearly that a government has legitimacy only if it is committed to the general welfare. It is thus also very clearly established, that the population has the right to resistance, if a government or other powers try to uproot the general welfare.

With the American Constitution, the sovereign right of the government over its sovereign currency and control over the creation of credit was achieved, which the first U.S. Treasury Secretary, Alexander Hamilton, brought into existence in the form of the national bank. With that, an economic and credit policy became possible, which was oriented toward the concept of the physical economy, which had been defined for the first time by Leibniz. The German economist Friedrich List, the cofounder of the Customs Union, lived for several years in America, and gave this system, which was oriented toward the general welfare, the name “American System,” which he understood to be totally different from the “English System” of free trade.

It is this tradition, which goes back to the Renaissance, Leibniz, and the American Revolution, which puts mankind and the general welfare in the center of the policy and the essence of the state, which is expressed in our German Constitution, above all in Article 20. In Article 20, paragraph 1, it says: “The Federal Republic of Germany is a democratic and social state.” And paragraph 4 reads: “Against anyone who attempts to eliminate this government, all Germans have the right to resist, if no other remedy is possible.”

It is this social state which has been developed in Germany since the social legislation of Bismarck. We must defend it against all those who would destroy it and return us to Feudalism, whatever they call it. Against that we have the constitutionally provided right to resistance!

Productive Full-Employment Is Possible!

Whoever maintains that there will never again be full employment in Germany at a high level of productivity, simply has no idea of economics, and should pull out of politics. How could Germany achieve its high living standing, anyhow? Just like Japan, we have essentially no raw materials, but in spite of that, have achieved a leading position among the industrial nations of the world. How so? In reality, there are two factors responsible for it. Ever since Bismarck's industrial and social reforms, it was characteristic of German industry that a very high rate of scientific and technological progress always brought industrial productivity to the highest level. In this high quality also lay the reason for success in exports, for our high export-rate of up to 40%. And as long as these two factors were stressed, our economy functioned, and we could achieve a high living standard. Part of that was the best health system in the world, one of the best educational systems, based on Wilhelm von Humboldt, a functioning pension and social welfare system, and so forth.

If we want to be able to pay for this outstanding social state again, we must—in addition to the already mentioned correction of the competition-distorting conditions of the European Currency Union—again achieve excellence in education, by again advancing the creative potential, above all, of the youth, in the best possible way. We must otherwise throw out the window, hostility to technology, which has gripped us with the change in values since the 1968 revolution and the drug, rock, sex, counterculture; return to the study of great scientific discoveries; and give fundamental research a central role in the economy. The German machine tool sector, into which all the current scientific and technological discoveries flow, belongs to one of the most excellent potentials of the world economy. If we support the middle-sized industries through corresponding laws and an advantageous tax and credit policy, so that it can again produce world class quality, high export rates are guaranteed in the long run.

The Eurasian Land-Bridge

The natural export markets for Germany today are the expanding markets of the population-rich nations of Asia: China, India, Russia, and Southeast Asia. Since the abolition of the Iron Curtain, it is obvious we must again take up where the events of the 20th Century (the First World War, the Versailles Treaty, the Second World War, the Yalta-Accord) interrupted the development of an economically integrated Eurasia. The construction of the Transiberian Railroad and the construction of the railroad from Berlin to Baghdad were previously the beginning of an infrastructural opening to Eurasia.

Today the program of the Eurasian Land-Bridge, for which I place myself, since the disintegration of the Soviet Union in 1991, as one of the chief architects, is the obvious vision for the 21st Century. We must decide on a total Eurasian transportation network on the government level, which



EIRNS/Klaus Werner

The LaRouche Youth Movement takes to the streets of Germany, to tell the truth about the financial breakdown, and present the New Bretton Woods plan of Lyndon and Helga LaRouche. The sign reads: "What no one else dares to say: Hedge funds are imploding! Down around 40%! Systemic crisis of the banking system is going full blast!"

develops the whole of Eurasia through so-called development corridors over 25 to 50 years—basically two generations. That way, Europe and Asia will be bound together through an integrated system of magnetically levitated trains, high-speed rail systems, superhighways, waterways, and computerized rail stations. Along this transportation line, so-called development corridors, about 100 kilometers wide, will be built, in which energy production and distribution, as well as communications systems, are placed, and which create ideal places for locating new settlements of industry and agriculture. Thus, the land-locked regions of Eurasia will achieve the same advantages which previously were available only to regions which lay by the oceans, or rivers.

Obviously, we must say goodbye to the money-grubbing mentality of the Shareholder Value society. This is all the more true, in order to develop the productivity and living standards of the Eurasian population over one or two generations. But it is in our basic interest as an export nation, to help the Asian nations, to bring the poor and undeveloped parts of their population to a standard of development worthy of man. Because in China, for example, still more than 70% of the people in the western and inner regions of the country live in poverty. A similar situation exists in India and other Asian states.

Many of the infrastructure projects in Eurasia which I have proposed for years, have been realized in the meantime by different governments, which have finally understood that this cooperation is not only in the interests of both sides, but that a perspective for peace also lies in common economic advantage. But what I now propose, beyond the current national and bilateral cooperation, is one treaty for a complete Eurasian development program conceived over 50 years, which will be decided upon by all the participating sovereign governments through a multilateral treaty framework. Were I elected Chancellor, I would immediately place such a program on the international agenda. I know now that the absolute majority of nations of this world would be happy if such an initiative would come from Germany.

It is simply propaganda by the global financial interests, when they assert over and over again that there is no alternative to globalization. With cooperation between *sovereign* governments toward the construction of the Eurasian Land-Bridge—which should also be extended to Africa and the Americas—we can move concretely toward the realization of a just new world economic order, which should guarantee all nations on this Earth the right to development, and for all people a life that is fit for a human being. Thus the infrastructural opening up of nations and continents is the exact prerequisite for agricultural and industrial development, just as it was for the industrialization of Germany in the 19th Century.

We need a courageous vision for the future of mankind, if we want to come out of the current global systemic crisis. There is the question of the image of man, and this also goes to the question of whether we, as cognitive beings, are of a mind to give ourselves a political and economic order which corresponds to the value of man. We must be filled with love of mankind, in order to realize this ideal.

For a Renaissance of Culture

With our Weimar Classical era, we have already proven that our culture, based as it is on a humanist, culturally optimistic image of man, is capable of producing great works of Classical art, which have, in turn, greatly enriched the world's culture. And thus there is no reason why we cannot do the same again, bringing forth a new renaissance of Classical culture. Just as Italy managed to emerge from the dark age of the 14th Century, by rekindling the spirit of Classical Greece and launching the 15th Century Golden Renaissance, so we can do the same today. We need but to make the great poets, thinkers, and discoverers of the past 2,500 years come alive once again in the minds of our young and old alike.

This, of course, runs contrary to today's *Zeitgeist* [spirit of the times]. But consider the fact that we would not have ever arrived at the above-mentioned existential crisis, had our *Zeitgeist* been in good order. It is true enough that today we seem to be dominated by egotism, corruption, moral indifference, and enjoyment of banal forms of entertainment. But perhaps the crisis that has now become so obvious, will also

afford us the opportunity to inquire how the *Zeitgeist* could have ever sunk so low, and how we could have distanced ourselves so much from the high ideals of Schiller, and of Beethoven.

Although political events in the 19th and early 20th Century certainly did lead to multifarious attacks on German Classicism's high standards, it is also true that the most systematic attack on Classicism was only launched after World War II, by the Frankfurt School and the Congress for Cultural Freedom (CCF). The CCF, acting as the chief organ of Cold-War cultural warfare against the Soviet Union, had the mission of cutting off the population's access to Classical art, and replacing it with irrationalism and existentialism in modern art forms, in the service of the so-called "American way of life." Thanks to this cultural warfare, we now have the *Regietheater* ["director's theater," in which anything goes], such that for decades now, a Classical theater production that remains faithful to the original, is unheard-of in Germany; and also for some time, no opera has been staged in unbowdlerized form.

The Brandt educational reforms of the 1970s, which aimed at throwing the "educational ballast" of 2,500 years of European history into the trash bin, did its own part in ensuring that thereafter, students would barely even recognize the names of the great Classical artists, not to mention their works. The shocking results of the so-called PISA studies were, in fact, not so surprising, because the mediocrity had been built right into the modern concept of education. If you cut off one generation after the next, off from their own cultural roots, is it any wonder that the result is so pathetic? It is indeed an ironic blessing, that the residents of Germany's new eastern states enjoyed a far better education in Classical culture than in the West, and that it has only been since 1989 that they have been directly assaulted by these negative influences.

And so, let us take this crisis, which most people now recognize as life-threatening, as our opportunity to turn back to our treasures of Classical culture, where we shall find precisely the method of thinking that we need today in order to master the crisis. "Plato is passé"? "Bach is old-fashioned"? "Schiller is old hat"? By no means! The young people of the LaRouche Youth Movement and the BüSo will, in all likelihood, be meeting up with you over the course of the campaign, and you will be able to witness firsthand how today there are indeed many young people who have adopted as their own, the best ideas of universal history in art and science, so that a new renaissance might germinate and grow therefrom.

As your new Chancellor, I will not only set the stage for a new economic miracle; I shall also inspire our country's people to launch a new renaissance. Despite all the bad experiences of recent history: Put your trust in me; I know what to do.

Yours,

Helga Zepp-LaRouche