

Oskar Lafontaine: An Aging Bankers' Boy?

by Elke Fimmen

Before entering into a review of the new book by Oskar Lafontaine, *Politics for All: A Polemical Treatise for a Just Society*,¹ which is designed to serve as a manifesto for the new synthetic “left party” in Germany, I’ll make some more general remarks to set the context.

First, it is funny to remember, that Lafontaine’s book written in 1997, with his wife Christa Müller, had the title *Do Not Be Afraid of Globalization: Jobs and Wealth for All*. He really offers something for everybody, it seems. Maybe Oskar can be best considered a salesman—for those ideologies, which synarchist bankers deem useful at times to be spread among the credulous public.

It is useful to review Lafontaine’s career a bit, including his sympathy with former East German ruler Erich Honecker, his resistance against German reunification, his role in introducing ecologism into the Social Democratic Party (SPD), as was done on the Christian Democratic Union (CDU) side in the 1970s by Kurt Biedenkopf (another communitarian). Most interesting would be a renewed investigation into Lafontaine’s role as German Finance Minister in 1998, in particular after the LTCM debacle in Autumn 1998. Then, the need for a new world financial system, a New Bretton Woods System, was placed squarely on the table by Lyndon LaRouche and Helga Zepp-LaRouche. President Clinton’s speech at the Council on Foreign Relations in New York reflected the LaRouche approach, which however was killed by the decision of the Fed’s Alan Greenspan and the synarchist bankers behind him, to go instead for a wall-of-money policy, to open the doors for unlimited liquidity pumping, in order to prop up the bankrupt world financial system.

In this period, German-French government proposals, called for a reform of the international financial system, but, in contrast to the LaRouche approach, asked for a strengthened political role for the International Monetary Fund. The future role of the euro was disclosed, to supposedly guarantee “stability” of the international financial system, and “to increase Europe’s power on the international scene.”

Lafontaine in this period—during which the disastrous introduction of the euro, replacing national sovereignty, could have been prevented for another two years—strongly sup-

ported the European-wide currency. He came out, as he recalled in his 2002 book (*The Rage Grows, Politics Needs Principles*²) for a system of regulated currency blocs between the dollar, yen, and euro. This was a pet project of arch-monetarist Robert Mundell, who supported Lafontaine. Mundell views this bloc system as a steppingstone towards his utopian scheme of introducing a single world currency. He, as Lafontaine says, supported Lafontaine’s position, while Robert Rubin, Clinton’s Treasury Secretary, fought against Lafontaine’s approach. Furthermore, Lafontaine, in this period, when Greenspan and the Fed had gone on an inflationary money-pumping course (which Lyndon LaRouche warned would lead to hyperinflation), demanded the lowering of interest rates by the Bundesbank and the European Central Bank, supposedly to create more growth and employment. When this was not fulfilled, Lafontaine resigned in 1999, both from his position as Finance Minister in the Schröder-led government, and as SPD chairman. He attributed his resignation to a witchhunt by Wall Street banks, which supposedly were opposed to his proposals for “regulation.”

The Role of Robert Mundell

After George Shultz led the breakup of the regulated Bretton Woods system in 1971, Mundell created a “discussion center” in his castle in Siena, Italy, for a “new order” of the world financial system. He has educated more than a few students in recent decades, to counter LaRouche’s efforts to establish a new, just international financial system, based on the cooperation of sovereign nations and the American System of political-economy, integrally including the right of national governments to create state credit for the promotion of the common good.

Mundell is widely credited with having created the “scientific basis” for the euro, with his “theory of the optimal currency space,” as Lafontaine approvingly underlines in his new book. At a Nobel Prize winners’ meeting in Summer 2004, Mundell again praised the euro as an “optimal success, since every firm has access to a continental capital market.” Here he issued his demands for a “European economic government,” which Lafontaine claims in his book, is also “the French position.” He later gave a lengthy interview to the *Süddeutsche Zeitung* on this topic.

Mundell is the guru of the “Giovannini Group” in Italy, which played a central role with the European Commission in the introduction of the euro. Alberto Giovannini himself was—what a small world!—also a manager of LTCM, and one of the founders of the EuroMTS trading platform for European state bonds, which in August 2004 was used by Citigroup for a surprise attack on European state bonds. This was interpreted widely as a signal that European governments should stay the course of their self-destructive austerity policies, such as Germany’s Hartz IV.

1. *Politik für Alle: Streitschrift für eine gerechte Gesellschaft* (Berlin: ECON, Ullstein Buchverlage, 2005).

2. *Die Wut Wächst: Politik Braucht Prinzipien*.

Mundell's position is to use the euro in manipulation of world financial markets to the advantage of global synarchist banking interests. As of 2004, European central banks could have used their \$500 billion in U.S. currency reserves in a coordinated way "to direct currency rates," a policy, which Lafontaine says he himself promoted during 1998-99. According to Mundell, ultimately the world shall be governed by one world central bank and one world currency (although, to the credulous, the euro was sold as a means of countering U.S. hegemonism). Very importantly, Mundell demands dictatorial supranational government structures. According to Lafontaine, who endorses Mundell's position in his book, there should be "a European economic government, which should decide on important macroeconomic questions, including currency rate policy." Lafontaine reformulates this demand as "a European economic government, which determines binding principles for the member states." Lafontaine says that Mundell also demands the "competence for taxation by the European Union." Ironically, the whole chapter about Mundell and his policies bears the title, "Monetary Policies Have To Be Controlled Democratically."

To realize this synarchist supranational scheme politically, Lafontaine demands the formation of a "German-French federation" as a core of political action in Europe. It is quite instructive that he cites as his political co-thinkers for such a policy: Nicolas Sarkozy (who in 2004 was still French Economics and Finance Minister), the rising star of a coming synarchist, neo-con-dominated government replacing President Chirac; and the head of the Banque de France, Christian Noyer, who showed his true colors some days ago in demanding the replacement of the successful post-war, industrial growth-based social state systems of Germany, France, and Italy, with the "so-called Scandinavian model" of Fabian "Third Way" fascism.

These people, in the Summer of 2004, while joining the growing attacks on the restrictions on economic policy imposed by the EU Stability Pact, demanded a "change of monetary and fiscal policies" in Europe, with Sarkozy praising British Chancellor of the Exchequer Gordon Brown for his pragmatic "anti-cyclical policies" and, above all, the low-interest rate policies of the Federal Reserve. Sarkozy also demanded "transparency of ECB decisions," specifically, the publishing of minutes, as in the British and U.S. models, including the names of who votes for what decision.

Lafontaine praises the Greenspan/Fed model to the skies throughout his book, asking at one point, why "Europe lags behind growth and employment in comparison to the U.S. and other economic regions? The answer is simple: The U.S. and other countries steer the state spending, taxation, monetary, and income policies, to stimulate the economy." He goes on to praise the Greenspan era under Clinton, in which the "cleaning up of the budget succeeded, because the New Economy boom led to economic growth and increasing income, and because the monetary policy of Greenspan sup-

ported this process!!" How stupid must you think your readers are, to still present this policy as a success in February 2005?

Since in the United States, Lafontaine further argues, the Treasury Secretary is responsible for currency rate decisions, this is a "political" money and fiscal management system. And this is the path Europe also has to follow. According to him, this is "favored on the Seine, too." While lacking any economic growth program, except some vague "several year infrastructure program" for Germany, Lafontaine's demands for political control over the decisions of the ECB can only mean a streamlined financial-political imposition of monetarist policies, according to the wishes of synarchist bankers—as happened in the '20s and '30s with the imposition of "efficient" fascist regimes in Europe. To be sure, this globalist idea has nothing at all to do with the concept of "political" sovereign national credit generation for infrastructure projects for the common good of European nations. You can say the same about Lafontaine's statement that inflation is no longer the problem—and this in the beginning of 2005, when the system is about to explode all over the place!

Globalist Eco-Fascism Instead of a New Deal

To top it off, Lafontaine's so-called programmatic alternative, which he equates with the aims of the new left party, WASG-PDS, is based on an anti-industrial policy, even though he rhetorically praises the *Mittelstand*—small and medium-sized productive enterprises—and German scientists and technicians. Lafontaine endorses the aim of *halving* European energy consumption by 2010, in a recent declaration in the French paper *Le Monde*, and an ecology tax, while at the same time calling for a New Bretton Woods! Such a policy is nothing but conscious de-industrialization and, in effect, genocide! In the book, while praising ecologist guru and one-worldist Jeremy Rifkin, he makes a point of attacking the concept of real physical growth: "No economic system can sustain itself, which has as its constant precondition only growth and which destroys the living foundations of our Earth."

No wonder that Lafontaine subscribes to the same kind of political one-worldism, which is typical of the Bertrand Russell anti-science malthusians: The catalogue of demands in his book includes the creation of a United Nations international army, which would control all nuclear weapons.

Lastly, Lafontaine openly displays his dislike for what he considers too many foreigners in Europe. He claims that immigration will weaken Europe's strength as a world player. To this effect, he cites none other than notorious British imperialist and war-monger Bernard Lewis, who said in an interview in *Die Welt* in 2004, that, in addition to the United States, also China, India, and a recovered Russia will be global players in the future, but not Europe: "Europe will be a part of the Arab West, the Maghreb," Lewis said. "There is a strong immigration, for example, the Turks in Germany, Arabs in

France, and Pakistanis in England.” Since these people all marry early and have many children, in contrast to Europeans, “according to present trends, Europe will have Muslim majorities in its population by the end of the 21st Century, at the latest.”

This is one reason why Lafontaine opposes Turkey’s membership in the EU, which, of course, is a big populist issue in both Germany and France. Furthermore, in the chapter “Foreigners and Us,” he quotes Clash of Civilizations-proponent Samuel Huntington, about the danger of “parallel societies as an effect of globalization.” Demagogically, Lafontaine asks, when will German politicians start addressing foreign-born citizens in their native language (e.g., Turkish), as Bush and Kerry addressed voters in Spanish during the recent U.S. election campaign?

This man is a complete demagogue. He pushes populist themes, like the question of foreigners, or the entrance of Turkey into an enlarged EU, in the same way that he attacks the “super-rich,” the “millionaires,” and the greediness of the upper class. This is the real source of evil, not the system of globalization, he keeps reiterating. It is “the little people,” who must “rise up” to destroy the system of “neo-liberalism.” In exactly the same way as neo-con right-wing jacobins like Meinhard Miegel with his Citizens Convent, Lafontaine is whipping up the rage and fear of large parts of the population—which will grow, as the financial markets collapse. In fact, as in the French Revolution, these jacobin movements—right or left—prepare for the time of chaos, which their backers, the bankers, have brought about all along.

Paying lip-service to the German Constitution and its central theme, that Germany is a social and democratic state, Lafontaine, like the right-wing populist movements, turns the “right of resistance” against those who violate this principle, into a jacobin call for action. He declares himself to be a proponent of “direct democracy.” Cleverly, he uses as a pretext for his call for referenda, the fact, that in Germany, the population could not vote against the hated European Constitution. He wants “direct democracy” to be implemented on the level of control of management’s economic decisions—a typical corporatist demand—as well as in parties, to control (or better said, to change or destroy) the leadership.

It would be a worthwhile project for scholars, to compare Lafontaine’s language with that of Mussolini, or the National Socialists in the 1920s and ’30s.

The international backers of such movements are always financial synarchist interests, who want to prevent a solution such as that represented today by Lyndon LaRouche in the United States, Helga Zepp-LaRouche in Germany, and their international movement. Isn’t it revealing, after all, that Lafontaine in February 2005 had the nerve to declare that it didn’t really matter, whether Bush or Clinton, Bush or Kerry, occupied the position of President of the United States, since they all have to swear allegiance to Wall Street? And to say

this in a situation, in which the LaRouche factor had already sparked visible crucial resistance to the fascist policies of the Cheney-Bush Administration, and when the only chance of establishing a real New Bretton Woods, lies with a change of policies in the United States?

Lafontaine gives it all away, when he cites as his authorities in “criticizing” the “newspeak” of the neo-liberals, all the gurus of the Enlightenment and the Frankfurt School: Adorno, Horkheimer, Habermas, Heidegger, Wittgenstein, Camus, Celan, Orwell, Voltaire, and Adam Smith. It is these existentialists and heroes of the Congress for Cultural Freedom, who did their best to destroy the cognitive powers of the post-war U.S. and European populations. Helga Zepp-LaRouche, with her candidacy for Chancellor of Germany and the LaRouche Youth Movement, have declared war against these mind-killing sophists, determined instead to create a new renaissance—industrial, scientific, and cultural—which elevates and inspires the population, to be prepared to face the great tasks of today. It is this counterpole, which citizens must turn to, in order to create a true, just new world economic order, in which the creative development of every individual, as well as of every nation, can be secured.

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Left Party To Counter Zepp-LaRouche Campaign

by Rainer Apel

It happened before: During the Summer of 2004, the LaRouche Youth Movement, within a few weeks after its first Monday Rally in Leipzig on July 12, managed to mobilize citizens in more than 200 German cities to participate in a campaign to replace austerity policy by an investment and job creation program. Then, in early August, many of the leftist and ecologist groups, ranging from the ATTAC umbrella group to Trotskyists, were awakened from their Summer sleep and all of a sudden discovered that they had to act to contain the LaRouche role in these Monday rallies.

In addition, some formerly prominent—but now almost forgotten—“leftists” such as Gregor Gysi (a pre-unification figure in the East German Communist Party, later in the Party for Democratic Socialism, PDS) and Oskar Lafontaine—who recently quit the Social Democratic Party