

Editorial

Protection and the Principle of National Sovereignty

Now is the time, leading economist and American statesman Lyndon LaRouche said the week of Oct. 24, for the United States Congress, particularly the Senate, to launch an international initiative in support of the principle of national sovereignty, the which will affirm the right of all sovereign nations to assert the primacy of the welfare of their citizenry, over the “markets.” That the moment for such action is ripe, is demonstrated not only by the onrushing global financial breakdown, but also by the initial actions in this direction being taken in the United States, Germany, and France.

In the United States, the first step in the direction of asserting national interests over the markets, has come in the area of the auto industry, where Sen. Hillary Clinton has called for the convening of an emergency national summit which would discuss measures to prevent the dismantling of this vital industrial sector. There is every reason to expect that this initiative will pick up broad support, in the face of the widely publicized plans of the financial vultures to pick the bones of the American machine-tool sector.

In Germany, the government itself has already acted toward protecting its auto industry from foreign takeovers, which would threaten the dismantling of vital industrial capacities. Legislation enacted on Sept. 7, as an amendment to foreign trade legislation, explicitly expands the list of companies protected from being sold off to foreigners, to include “producers of engines and gears for tanks.” The action was taken in response to the specific threat of a selloff of a section of Daimler-Chrysler which the government considered vital to German national security.

The explanatory text of the new measure says that the German Defense Ministry and German industry have concluded that German companies in the tank engine sector are “indispensable” for maintaining technological and defense capabilities, and therefore must be protected.

The French government has also recently revised its law which defines which industries should be considered “strategic,” and thus protected against hostile for-

eign takeovers. The French law, known as the “*loi Breton*,” was adopted by the Council of Minister on Sept. 21 in the context of the threatened takeover of the French industrial giant Danone by Pepsi, and the sale of the auto producer Renault to foreign interests. The law amends the financial code to allow the government to forbid takeover of companies “considered to be of strategic importance.”

French Prime Minister Dominique de Villepin used similar reasoning in his Oct. 28 announcement that the government was halting the privatization of the state-supported nuclear industry. De Villepin declared “a red line he refuses to cross” respecting certain public services, “whose activity is commercial, but whose strategic importance is necessary for national independence.”

The principle being invoked, explicitly or implicitly, by all of these measures should be made explicit. What is being asserted is the principle of national sovereignty, which mandates that any government have the right to control its own resources, and to protect vital sectors of its economy as a matter of national security, for the sake of caring for the population. Nations need food security, energy security, jobs, and defense. Who is there to ensure they are so guaranteed, but their governments?

Of course, the very opposite philosophy—that of free trade—has been the dictate of the international financial institutions, and economic “orthodoxy,” increasingly over the post World War II period. Under this mantra, nations have in many cases been *forced* to sell off their vital industries, to bankrupt their farmers, and to immiserate their people. But free trade has no authority under either natural law, or U.S. Constitutional law, which mandates protection of the general welfare by the Federal government.

Let’s act now to revive the basic principle of the welfare of the people over the “markets,” the right of national sovereignty. With this principle as the foundation for international economic agreements, the world can be set back on a pathway toward economic prosperity once again.