

STARTING WITH FRANCE

## European Elections Create Opening for Glass-Steagall

by Nancy Spannaus

May 7—The voters of France and Greece resoundingly rejected the murderous austerity policy of the European Union, in national elections held May 6 in those two countries, as did German voters in an important state election in Schleswig-Holstein. The biggest opportunity is opened up with the defeat of French President Nicolas Sarkozy, by his Socialist opponent, who has promised to respond to the anti-austerity mood of the population. As former French Presidential candidate Jacques Cheminade points out in the statement below, the new President will very soon be put to the test.

The shift in France, where there is now a wide opening for motion toward the Glass-Steagall reform that was promoted by Cheminade in his campaign, and the LaRouche movement internationally, has enormous implications for the rest of Europe. The resounding anti-government vote in Greece was expected, of course, but, without a broad policy move within the stronger core of Europe, the perspective for that abused nation is instability and chaos. Spain and Italy, which have, by and large, knuckled under to the austerity, will likely see their populations energized by the French success in getting rid of the hated Sarkozy. Even in Germany, the Social Democracy (SPD) might find itself under pressure to reject the European strait-jacket.

In fact, Chancellor Angela Merkel, who has taken the point for the London oligarchy's policy of hyperin-

flation and brutal austerity, finds herself significantly weakened both externally and internally. The latest defeat for her party, the Christian Democrats, in last weekend's Schleswig-Holstein elections, has now deprived her of even a simple majority in the upper house of parliament.

Meanwhile, the bankruptcy of the post-Bretton Woods financial system is wreaking havoc, especially in the trans-Atlantic system, and new shockwaves are inevitable in the very short term. Fortunately, there are clear voices offering a solution. We feature that of French patriot Jacques Cheminade, first with his post-election statement, and then in answer to questions submitted to him by *EIR*.

### **Cheminade on the Hollande Victory**

Cheminade's statement (translated from French) presents the immediate challenges facing the new French President, who will be inaugurated on May 16.

"The hour of truth has struck. The left will soon hold all the levers of political command. Given the immediate events ahead, it will have to take up the challenge of exercising power.

"On May 15, the National Institute of Statistics and Economic Research (INSEE) will release our economic bill of health for the first quarter of this year. On May 18 and 19, the G8 Summit will take place at Camp David, the U.S. President's vacation residence. On June 18 and 19, the leading heads of state and government will meet



EIRNS/Julien Lemaire

*Largely thanks to the intervention of Jacques Cheminade's Presidential campaign, the voters of France soundly rejected the brutal austerity of the EU, in May 6 elections. Cheminade is shown here campaigning in March.*

in Los Cabos, Mexico, for the G20 Summit. On June 28, the European heads of state and government will be meeting in Brussels.

“The new government and the new President will not be able to evade the essential. They will have to choose between accepting a policy of austerity and social purging, or engaging in the true combat against the world of finance. There is no third way that can be taken on this crucial point.

“I hope that battle will be engaged. However, as I made clear in announcing why I would vote for François Hollande, I fear that the sense of consensus and of compromise on principle among his staff and Socialist Party officials will tip the scales against that.

“That is why Solidarité et Progrès will present about

100 candidates in the legislative elections, to defend the program and approach that Hollande and his new government should implement. We intend to be an example, a standard, and a means of oversight, free of leftist demagoguery and social-liberal compromise.

“We demand the separation of investment banks from deposit and credit banks, since without it, the speculative corruption of the markets would continue to make itself felt. We have to prevent the financial casinos from causing harm, even if they are managed by honorable financial inspectors. Even more, we demand the creation of a national bank, which alone can emit public productive credit to finance great works of mutual development on the scale of Europe and Eurasia.

“The commitment of the left, if it is to be meaningful, must be to get out of a system in which a financial oligarchy manages its possessions by oppressing the people, and to replace it with an order of public productive credit, betting on a better future in which technological progress serves social justice.

“If Hollande and his government take the calculated risk of following this path, which is in the interest of France, we will support them unswervingly. If they deviate from it, we will denounce their failure, and will not hesitate to fight against them, but free of silly sentimentality, just as we did when [former Socialist President] François Mitterrand betrayed those who had supported him.

“Pending the decisive moment, we would ask all those who are reading this to vote for our candidates in the June 10 legislative elections: That at the same time provides insurance against a dangerous drift, and for staying on course amid the storm.”

### **Cheminade Responds to EIR**

**EIR:** The victory of François Hollande over Nicolas Sarkozy in the Presidential elections this weekend is broadly portrayed as an optimistic sea-change in the European and French political situation, portending a rejection of the murderous EU/London policy. Please give us your evaluation.

**Cheminade:** Of course, the defeat of Sarkozy is very significant, without any doubt, more significant than the victory of Hollande. Most of the voters cast their votes against Sarkozy's policies, equated to the “Merkozy” pro-austerity drive, which had become un-

bearable for the French population.

Hollande pledged in his Jan. 31 Le Bourget speech to lead the fight against the “main adversary, the world of finance.” Besides, when German SPD leader Sigmar Gabriel came to Paris and was interviewed in the daily *Libération*, together with Hollande, he said that “the main issue for the future of Europe is to know who is going to prevail, the will of the people or the world of the City of London and Wall Street.” This was so similar, at least in the wording, to my electoral poster, which read, “A world without the City and Wall Street: Let’s stop the social sacking and develop the world with great projects,” that the whole international banking establishment in Paris freaked out.

From then on, tremendous pressure was put on Hollande, who had to declare by mid-February to American and British journalists, that his intention was not to go against the markets, and that they had to consider that when the Socialists were in power, they behaved like anybody else, even privatizing more than the right-wingers. He then visited the City of London, and in opposition to the leftist candidate Jean-Luc Mélenchon, and also to myself, he declared: “Look, I am not dangerous.”

Nonetheless, even if he has not endorsed the Glass-Steagall approach, he is considered much more unreliable for the investment banking sector than Sarkozy. At this point, Jérôme Cahuzac, a Socialist heading the Finance Commission at the National Assembly, and close to Hollande, declared that they plan to maintain universal banking (the French name for investment and commercial banking activities under the same roof—the opposite of Glass-Steagall), but not to cover any more the losses of those banks in market operations, and to ban their speculating on their own funds. He also pledged to forbid derivatives, which have no real physical base. All this worries some bankers; others think that they can continue their dubious activities without too many problems.

As for European policies, Hollande wants to renegotiate the European austerity treaty and include in it a pledge to favor real economic growth. But at the same time, he calls for the creation of eurobonds, an increase in capital of the European Investment Bank, and the mobilization of the EU “structural funds” presently untapped by the states.

Of course all this does not make a policy. In reality, what the oligarchy of the City of London, Wall Street, and their French allies and stooges fear the most is the

opposition of the social base of the Socialist Party, of the Left Party, and of some disgusted Gaullists, and even part of the ecologists’ base. These are the people who listened to our diagnosis, ideas, and solutions during the Presidential campaign, and even if they did not vote for us, consider our contribution as very valuable, and are watching closely the behavior of those whom they have elected.

I had the pleasure to meet dozens of those people when I walked in the streets, and they behaved in a very friendly way: “Look, it is him. I did not vote for him because I feared that he does not have a mass party behind him, but he is a key expert, who was the first to diagnose the crisis and now proposes solutions.” A few Socialist hacks even told me: “If Hollande were a clever man, he should take you as a Minister of Economics.” So the situation is at the same time explosive, tumultuous, and unclear.

That is why we are going to run about a hundred candidates in the legislative elections, first as watchdogs of the new government, and then as potential leaders of the mass ferment which is to ineluctably explode when France will come under attack in the soon-to-be-tragic situation of European disintegration and collapse of the world financial system. On what side the Hollande government will be remains to be seen, but, again, it is its social base which has expectations of big change, and which represents the best asset for the future, if properly organized and oriented.

## The Candidates Movement

**EIR:** You had preannounced the intention to launch a candidates movement immediately after the election, toward National Assembly elections to be held June 10. Can you give us a progress report on that perspective, and how it can affect the policy of the government?

**Cheminade:** Our candidates movement is picking up steam in many regions of France, and also, for the first time, in the South. Some candidates are old-timers of our movement, others are newcomers who were very interested by the campaign and incensed at the way in which the journalists mistreated me and my ideas. Many ask questions about this “American LaRouche” and start investigating about him. Nobody believes in what the journalists say, but a lot are timid about their capacity to confront them “like Cheminade did.”

Nonetheless, most are mustering their strength and learning fast, out of their understanding of what is coming down upon us. A few mayors also are in the



EIRNS/Julien Lemaître

before that also to the Maastricht Treaty. The key point here will be the pressure exerted by the part of his social base which voted “no” in 2005. He had to reassure them that he will not accept any form of austerity, and fully support the spirit of social justice of the anti-Nazi and pro-labor program of the National Council of the French Resistance of March 1944.

So very soon, when the contradiction between accepting the ESM, the banking dictatorship, and ferocious austerity “the Greek way” on the one hand, and responding to pressure from his base to keep his social promises on the other hand, the decisive moment will brutally emerge. It is then that our intervention will be crucial. Hol-

*The Cheminade campaign took the fight against the bankrupt Wall Street and London bankers to the streets. Now the Solidarité et Progrès party will field 100 candidates in the June legislative elections.*

process of agreeing to be candidates, overcoming their fears to be considered as “Martians” coming on the stage of the French political scene.

The attacks against my space program, ridiculing it, were unfortunately successful, because most of the voters are merely thinking in terms of getting from the next President a “protection to survive,” and are behaving pragmatically instead of fighting for long-term issues. The media was quite skillful in playing with that, with a majority of the people, but a sizeable minority reacted against it forcefully, and we have recruited quite a few of them.

All in all, we got more than 1,500 e-mails encouraging us to keep going and volunteering to help.

**EIR:** One of the major items on the European agenda in this period, is the ratification of the genocidal straitjacket called the European Stability Mechanism (ESM), a policy Hollande had threatened to dump, or at least modify. What are the next steps toward ratification of this policy in France?

**Cheminade:** The dumping of the ESM is not Hollande’s strong point. In fact, he is the political heir of François Mitterrand and Jacques Delors on European issues, and hesitates to intervene forcefully. He voted “yes” in 2005 to the European Constitutional Treaty, and

lande otherwise declared publicly that he does not want to be an “Hollandreou,” referring to the anti-labor compromises of former Greek Prime Minister Papandreou.

### **The Prospect for Glass-Steagall**

**EIR:** During the campaign, you raised very high the banner of Glass-Steagall, and there is clearly a growing movement for such a policy throughout Western Europe, and among other political groupings in France, including former Prime Minister Michel Rocard. How do you see the prospects for action on this flank?

**Cheminade:** The prospects could be very good if we organize forcefully for it. There are politicians, social groups, think tanks, and even industrialists calling for it and referring to us, directly or indirectly. The last group out coming for it is a Roosevelt group, enrolled under the banner of FDR’s grandson, who lives in Southern France, and a new Circle of Economic Engineers calling for a return to physical economy and a global Glass-Steagall.

All this involves people well known to us, who are slowly emerging from their hideouts because they understand how bad things are. Consider that our campaign declaration of candidacy was sent by the State, together with those of the nine other candidates, to all 44 million French voters!