

## Europe in uproar over Maastricht referendum

by Nora Hamerman

In a climate of growing mass unrest all over Europe in response to the deepening collapse of the economy, and of deep distrust of the governments which have failed to stop the horrors in former Yugoslavia, French voters will go to the polls on Sept. 20 to decide whether France should ratify the Maastricht Treaty. The treaty is supposed to join the 12 nations of the European Community (EC) in a new single market ruled by "free trade."

Only two months ago it seemed all but certain that the French would vote up this travesty, upon which President François Mitterrand has staked his reputation, and almost, his regime. Now, on the eve of the referendum, it is increasingly likely that the "no" vote will win. The Anglo-American financial elites and the Trilateral Commission, a leading arm of the international oligarchy, are scrambling for positions in the currency chaos which has already been unleashed, some making desperate threats to force the French voters to approve the treaty; others criticizing Maastricht and getting ready for its defeat.

In a move viewed in France as a measure of the pro-Maastricht camp's hysteria, Jacques Delors, the president of the EC's European Commission and a monetarist windbag, threatened to "retire" from his post in December if the French voted "no" in the referendum. France would be "marginalized" if the treaty were thrown out, and "in 10 years we will be finished," the former French finance minister raved. He added that the French political elite and the state bureaucracy, many of whom have publicly tied their fate to the success of the Maastricht process, would undergo a big reshuffle—a prospect that may induce even more disgruntled voters to vote "no."

### Franco-German unity at stake

One key issue at stake in the Sept. 20 referendum, as Jacques Cheminade stresses in the article below (page 30),

is the nature of French-German relations. Not only are France and Germany the co-founders of the European Community in Charles de Gaulle's vision of a "Europe of the Fatherlands"; but unless those two industrial powers join a common strategy to lead a world economic recovery, the Anglo-American oligarchy will triumph in an apocalypse of war, famine, pestilence, and death.

Under Maastricht, however, the industrial potential of both countries would be straitjacketed and destroyed by the monetarist European Central Bank. Maastricht proponents, in fact, have tried to sell their treaty by bragging that it will prevent Germany from using its industrial might to develop the East. This is why the pro-Maastricht camp in France has stepped up an ugly campaign, prompted from London, to depict a "yes" vote on Sept. 20 as the only way to protect Europe from the "ugly Germans." Serge July, the editor of the daily *Libération*, wrote, "The fear of Germany is called to the rescue of Maastricht."

Mitterrand, in an interview, claimed that Maastricht is the last chance to rein in the German Bundesbank and curb the deutschemark's dominance in Europe. Prime Minister Pierre Bérégovoy intoned that a "no" vote could lead to a "divorce" between France and Germany, and encourage Germany to "look more toward the East than the West." Former Prime Minister Michel Rocard, frequently billed as Mitterrand's successor, said that Maastricht was needed "to preserve Germany from its demons": Tempted by the "romantic, irrational forces of its past," and "buoyed by a triumphant mark," Germany could "turn again eastward and lose interest in the continent's future, except to impose its economic will on others."

France's State Secretary for Humanitarian Affairs Bernard Kouchner went so far as to identify the anti-Maastricht forces with the neo-Nazi skinheads who have been rioting in Rostock against asylum-seeking foreigners. Said Kouchner:

"The last generation in Germany to be in favor of Europe is that of Chancellor Kohl. The skinheads of Rostock are voting 'no.' " This slander was fabricated in Britain; since the Rostock rioters have a clear network of international connections, security experts in Europe expect "anti-Maastricht" riots by neo-Nazis to conveniently proliferate beyond Germany in the days before the French referendum.

### Currency chaos

In France, where every political party is split by Maastricht, President Mitterrand debated anti-Maastricht spokesman Philippe Séguin on national television the night of Sept. 3. Mitterrand had asked Britain's Prime Minister John Major and Germany's Chancellor Helmut Kohl to join him on television in support of the treaty.

Major declined, while Kohl agreed. Although the Major government has staked its program on Maastricht and European monetary integration, Britain was forced to announce on Sept. 2 that if the French reject Maastricht, then the British will drop plans to present the treaty to the House of Commons for ratification, considering it dead. Paradoxically, many consider that a French rejection of Maastricht may be the only thing that could allow Major's faction to cling to power after Sept. 20, by giving them an excuse to devalue the pound—saying European monetary integration has become impossible—without admitting how utterly their economic policies had failed. But that assumes that London can avoid devaluing before Sept. 20, which may not be possible.

Indeed, if the French reject Maastricht on Sept. 20, so many nations—including Britain, Italy, Spain, Sweden, and possibly France—may attempt to devalue their currencies simultaneously, that no one will know how much anything is worth. Italy is suffering a massive capital outflow and weakness of the lira, despite an extremely high interest rate policy, the Swiss gnomes' paper *Neue Zürcher Zeitung* reported on Sept. 1. In the last 10 months alone, the Bank of Italy spent some 27.5 trillion liras (over \$20 billion) to support the lira. While its monetary strategy has clearly failed, all the Italian government can do is hope for a positive vote in the French referendum on Maastricht and try to bridge the gap until then with the help of other central banks, the Swiss journal opined.

### Whistling in the dark?

Some of the Anglo-American oligarchs are scrambling to prepare for a French "no" vote.

On Sept. 1, David Hale, chief economist of Kemper Financial Cos., wrote in London's *Financial Times* that the valuation of currencies in the European Rate Mechanism should have been revised two years ago, upon the reunification of Germany, just as the Bundesbank desired. British and French officials erred badly at that time, not foreseeing what the impact of German reunification would be on the European economy and the ERM. Now, if France votes against Maas-

tricht, it would provide "the perfect excuse to promote the realignment of European exchange rates which the Bundesbank itself advocated more than two years ago. . . . Such a realignment would then set the stage for a significant decline in the level of interest rates throughout Europe," thus creating the pathway to a restoration of economic growth in Europe.

It only took a week for the *New York Times* to echo the monetarist strategy of its British counterpart, in an editorial on Sept. 8. The *Times* wrote that European leaders are putting too many eggs in the basket of Maastricht, since a new and better agreement can be forged even if the treaty is defeated in the Sept. 20 referendum. Maastricht needs significant revision: "It equates Europe with western Europe, expects German budget surpluses and overlooks the possibility of divisive military conflict in Europe. The world already seems distant. The fragile new countries of eastern Europe pound frantically on the Community's door. Deficit financing of German reunification has driven up interest rates, exporting recession to Germany's neighbors. And Europe's appalling failure to respond to the Yugoslav tragedy mocks Maastricht's call for coordinated foreign policy." There need be no calamity if there is a "no" vote for Maastricht, since a better treaty can be written on its ashes.

In Cernobbio, Italy, over the Sept. 5-6 weekend, the annual high-level meeting of policy elites sponsored by the Ambrosetti Group gathered key leaders of the major Italian electoral parties, as well as former German Chancellor Helmut Schmidt; top Bill Clinton economic policy adviser Rudiger Dornbusch; former British Chancellor of the Exchequer Nigel Lawson; and others, for a discussion about the Maastricht Treaty.

According to Italian press reports, most speakers in Cernobbio were vehemently pro-Maastricht. Trilateral operative Gianni Agnelli, the head of Fiat, said that Europe would face "a catastrophe" if Maastricht were to collapse. Giorgio Napolitano, of the recently renamed Communist Party, now "Democratic Party of the Left," was also pro-Maastricht. The evident exception was the financier Carlo De Benedetti. He said Maastricht was "a joke," and made the apt observation that the only people now benefiting from high interest rates in Europe were "the traffickers in heroin." Mario Monti, a pro-Maastricht economist and member of the Trilateral Commission, warned that there are political forces in Europe who believe that Maastricht will bring about "the Europe of the merchants and the bankers against the weak."

The mass opposition Monti fears was seen Sept. 7 in Paris, when an independent farmers' organization, Rural Coordination (CR), held a press conference attended by all French media. CR president J. Laingeau called on people to vote down the Maastricht Treaty which he called a favor to international financial interests. A Danish farmer and a German farmer told the media that a solidarity movement is building among farmers across borders, to defeat the same murderous policies. A demonstration was called for Sept. 10.