

# Why Is the Vote So Important On the European Constitution?

by Christine Bierre

On May 29, a national referendum will be held in France on whether to accept or reject the European Constitutional Treaty which was adopted by the European heads of state at two European Union summits on June 18 and Oct. 29, 2004. This text is now in the process of being ratified by the 25 EU members, either via popular referenda or parliamentary votes. Were one nation to vote against it, this entire process, in principle, should come to an end. As of this writing, polls in France are pointing towards a defeat. But the election will be highly contested until the very end.

The French vote is of special importance for those fighting in the United States to re-establish the Roosevelt tradition within the Democratic Party, and for moderate Republicans who are not in the wild neo-conservative camp of the George W. Bush Administration. Indeed, a vote against the proposed European Constitution would be the first move to turn back the clock on the entire process of globalization and deregulation, which started in Europe in the early 1970s, and which has been the cause of more than 30 years of deep impoverishment of European economies and populations. The mere prospect of its defeat has already created panic throughout the globalizers' networks internationally. If the proposed European Constitution is rejected by the French population, this would provoke the type of political shock necessary for LaRouche's friends in Germany, France, and Italy, to put their proposals for a New Bretton Woods reform of the international monetary system on the agenda.

## The 'Thirty Glorious Years' and Globalization

Like the United States, until the death of the Bretton Woods system in 1971, and its replacement by a system of floating exchange rates and policies of looting of the world economy known as globalization, the economies of Western Europe had enjoyed, after the war, a strong era of economic growth, known familiarly in France as the "thirty glorious years." During this period, according to a recent report published by the French Senate, entitled "For a European Neo-Colbertism," industrial development, not the service sector, was "the backbone of economic development in France." That "golden age" was reached because the post-war reconstruction was carried out around the industrial sector: con-

struction, public works, automobile, energy, chemistry, and aeronautics. The height of that period was 1974, when industry reached a historical high point of 38% of the GDP.

This exceptional period of growth (7% to 8% per year), an era of full employment which offered the population not only stable, long-term, and skilled jobs, but also steadily increasing living standards and opportunities, was the result of the impact of FDR's New Deal, as well as the "indicative economic planning" adopted by both General (later President) Charles de Gaulle and Jean Monet (father of European industrial collaboration in coal and steel, which ultimately led to the Common Market) in France in the aftermath of the war.

The "thirty glorious years" came to a screeching halt because of changes imposed by the Shultz/Kissinger team after the destruction of the Bretton Woods system in 1971: looting of the physical economy—research, infrastructure, and productive capacities—and of populations—low wages, education, and benefits. These are the policies which financial deregulation and globalization have brought about. Globalization means destroying the highly qualified and developed industrial economies and populations by looting lower-income countries instead.

In France and in Europe as a whole, 1974 is the year when the European Common Market, under the pressure of the post-Bretton Woods era, started lifting trade barriers, opening up to cheaper exports from the underdeveloped sector. This resulted in soaring unemployment which lasted over the last 30 years, as well as destruction of industrial capacities in Europe. Unemployment, according to the International Labor Organization (ILO), went from 2.8% in 1974 to 12.45% in 1997, and has remained over the 10% mark ever since, and that doesn't take into account massive underemployment.

By 1978, industry's percentage of GDP had fallen to 20.1%, and remained at the level of 19.5% up to 2002. Industrial employment went from 38% in 1974 to 17% today. Services today constitute 75% of the GDP! The remaining private industrial sector has tended to orient towards the lower and medium-low technologies (food, tobacco, textiles, wood, paper, plastics, basic metallic products, oil products,) and is now faring badly because of competition from developing



*LaRouche Youth Movement members in France are calling for a “no” vote on the European Constitution. The LYM participated in hundreds of large public debates, keeping the focus on reforming the global monetary system.*

countries like India and China. The areas of excellence in France today, are still the remaining great projects launched in the Gaullist area: nuclear power, aeronautics, space, and electronic components. The Airbus, which many European liberal free-market advocates believe to be the product of a “liberal” Europe, is a child born from the supersonic Concorde passenger plane, and France’s nuclear deterrent, the *Force de Frappe*. Projects like these could not be launched today, because European governments are forbidden to support this type of research and industry.

### **Western Europe Adapts to the Globalizers**

During this entire period since 1974, European governments agreed to abandon the “social” model of de Gaulle and German Chancellor Konrad Adenauer, and to adapt to the free trade model. And one can follow that evolution in France, from the time of President Georges Pompidou, who had already scrapped fundamental research in a big way, and started the deregulation of the financial sector, to the era of President Valéry Giscard d’Estaing. But it was during the long Presidency of François Mitterrand (1981 to 1995) that Europe adopted treaties which amounted to a real process of *hara-kiri* for their nations.

The Treaty of Rome, which created the European Community in 1957, reflected generally the types of economic principles which FDR’s New Deal had made possible in the United States, and which were generally hegemonic in Europe during post-war reconstruction. But starting with the Unique Act of 1986, which lifted all national barriers to circulation of goods and population within the European Community at

that time, the Maastricht Treaty of 1992, and the Amsterdam Treaty of 1999, the stage was set for the destruction of the European economies which one sees today.

These treaties transformed the highly regulated European Common Market, run by an association of sovereign nation-states, into a totally deregulated single market, where goods, services, and capital could circulate as they wished, aided by a single currency, the euro, under the unique control of a market-oriented European Central Bank. Among the worst measures rammed through by these treaties was the elimination of national banks and their replacement by a system of central banks under the control of a European Central Bank (ECB), independent of all political control. Up to this time, many countries, including France, had national banks run by government and other elected officials.

Articles 104 and 109E of the Maastricht Treaty specifically forbid the ECB and its national surrogates from “soliciting or accepting any instruction from the government”; and bill No. 93, adopted by the national assembly in France on Dec. 31, 1993, in application of Article 104 of the same treaty, formally “forbids [the central bank] from authorizing deficits or granting any other type of credit to the Public Treasury, or to any other organism or public company.” Modelled on the Anglo-Dutch liberal financial system, these treaties have eliminated any possibility for governments to intervene effectively into the economic evolution of their countries, thus leaving that task entirely to the financial markets.

### **A Citizens’ Revolt Against the Neo-Liberal System**

It is this acceptance of globalized speculative policies which the proposed European Constitutional Treaty wants to engrave in marble, because to adopt or amend it in any way requires a unanimous vote of the 25 member states! From the very preamble, the Constitutional Treaty reaffirms all previous treaties by stating that members are “Determined to pursue the work accomplished in the framework of the treaty instituting the European communities and of the treaty of the European Union (Maastricht and Amsterdam), by ensuring continuity of the Community’s acquired achievements.”

The free-market economy is upheld everywhere as a model which forbids, as stated in Article III-156, “restrictions to capital movements and other payments between member states and among member states and third countries.” Articles

III-181 and III-188, respectively, forbid the independent European Central Bank, sole monetary authority heading up a European system of central banks and determining its policies only with respect to the markets, from making credit of any type to any public institution and from taking advice of any sort from the national governments. Its only mission is to guarantee the “stability of prices” (Articles 1-30).

But this is the system which has led these formerly rich countries to their present economic debacle. Persistent unemployment and underemployment (temporary jobs, undesired part-time work, and so on) have negatively affected the future of nearly 20% of the population. A recent study published by the economic institute CERC, shows that the “net average wage has not progressed” since the end of the 1970s! Improvement of living standards over the last 25 years was on the order of 0.2% to 0.3% per year, usually less than the increases in the cost of living. Since 1978, real buying power has decreased from 4% to 8% in the private and public sectors. Households of the lower 80% of the population, those defined in the study as living only on their wages, have seen their living standards “drop steeply” since 1982.

Over recent years, the revolt against this system came only from forces like that of Lyndon LaRouche’s co-thinker Jacques Cheminade, and the relatively marginal “sovereignist” movements, made up of a sundry collection of parties often defending an ideal France which existed sometime in the past, but without a real, active perspective for the future.

What shifted this process was the fact that a revolt against the proposed Constitutional Treaty erupted from within the Socialist Party, which had previously been the main backer of the policies represented by the proposed European Constitution. However, not willing to again lose another election, as they did in the 2002 Presidential elections, left-wing and center-left leaders of that party decided to go against the Constitution, despite the Party’s position in favor of that policy. From there, the revolt spread out to larger sections of the population, fueling an incredible national debate: People attended thousands of meetings throughout the country, organizing reading groups on the proposed Constitution, creating local committees for the NO vote, and other activities unprecedented in the last 30 years.

In that revolt, the Solidarity and Progress party—the co-thinkers of LaRouche in France, led by Cheminade—have been playing a key role, not because of their numbers, but because of their economic conceptions, and projects to change the world, as well as the deployment of a very determined LaRouche Youth Movement at these meetings and debates. During the last several weeks, the LYM distributed well over 200,000 leaflets in Paris and other large cities, and participated in hundreds of large public debates, each time helping to focus the debates on the key issues and using international developments to build up momentum for a LaRouche-inspired reform of the entire monetary system.

While calling for a NO vote, Cheminade did not get bogged down in the NO versus YES debate on the proposed Constitution, but took a longer perspective, noting that beyond the May 29 referendum, the necessary reform of the system is what is crucial. In this respect the LaRouche/Cheminade forces have had an impact on both camps by briefing citizens’ meetings—in the context of discussing necessary future development projects—on the New Bretton Woods motion voted up by the Italian Parliament, on the demands for more state intervention coming from Social Democratic Party chairman Franz Müntefering in Germany, on the impact of the GM/Ford and hedge fund crises threatening the entire system, and on the new call by Helga Zepp-LaRouche for a New Bretton Woods conference.

LYM organizers have been forcing debates on the deeper questions of economic policies; namely, the difference between the free market economy and republican notions of public or public/private credit for infrastructure, manufacturing, and trade. These notions have a common source in France and in the United States with the Colbertist tradition leading to Alexander Hamilton and the Rooseveltian/Hamiltonian tradition coming back to Europe during the post-war reconstruction, when it nourished the Colbertist Charles de Gaulle.

This entire process has led to a global recomposition of the French political landscape, and this means a rapid end to the demonization of Jacques Cheminade by corrupt French circles working in conjunction with their British and American neo-con friends. Serious political leaders in both camps have come forward during this campaign, showing more and more interest in what Cheminade is proposing, and demonstrating their willingness to meet. Interventions by the LYM are no longer rejected out of hand, but are often encouraged by the organizers or people present at the events. Some of the other party leaders are even showing signs of jealousy, wondering why these dynamic youth are not in their own parties.

A sign that Cheminade is the personality feared by the main enemies of an FDR/de Gaulle economic approach in France, was the note appearing in the mass tabloid of the Paris area, *Le Parisien*, on May 17, reporting on a speech given to the Gaullist Academy by one of the main groupings in favor of the NO vote within the Socialist Party, the party’s vice president, Laurent Fabius. In its “Behind-the-Scenes” column, the paper writes: “Laurent Fabius, who the other night was speaking in front of the Gaullist Academy, an institution that called, as he did himself, for a vote against the European Constitution, thinks that General de Gaulle is not the property of ‘either the right or the left.’ ‘Those who tried to revive him are also those that betrayed him, *c’est la vie*’ he said, and was applauded. ‘And those who claim today to be his followers, are not the ones that represent him too well.’ Among those attending, the very sulfurous Jacques Cheminade, former Presidential candidate.”