granting all economic powers to technocrats in a Central European Bank. Both of them feared massive unemployment as a result, and, as Dam pointed out, this would start in the economically weaker nations, but it would quickly spread to the rest of Europe. Also, Dam said that there is absolutely no economic foundation for the idea of eliminating national currencies. The only thing gained would be saving a little money by not having to exchange European currencies. The price for this small saving, would be the elimination of the concept of national economics, Dam said.

On June 11, a group of leading German economists, including the veteran reformer Klaus Schiller, came out with a list of similar arguments.

The overall economic and political perspective of the Maastricht Treaty was totally wrong. Reading Section IV, "The Economic and Monetary Policy," makes it clear that the method is an iron-handed financial policy like that of the International Monetary Fund. Article 104, Section 1, would prohibit the proposed European Central Bank and the existing national banks from allowing any deficit spending on the part of national governments, counties, municipalities, or other public authorities. In the case of an eventual budget deficit, Article 104 equips the European Council with the authority to impose penalties, including fines and the rescinding of credits, to teach the offending nation to "behave" itself. It is exactly that kind of policy which would have led to mass unemployment and poverty in large sections of Europe.

Principles of national economics

With the entire Maastricht process in shambles, the question is now, what shall be done instead? First of all, any "grand experiment" of dissolving national economies must be stopped. And it should not be replaced with any British proposal for a "European free trade zone" either.

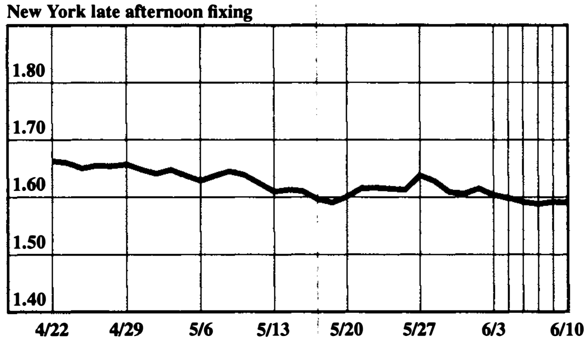
Instead, there must be collaboration among sovereign nation states, what Charles de Gaulle called the "Europe of the Fatherlands," and common economic policies must rest upon the principles of national economics. This means that the principles of building a national economy, as described by great economists like the German Friedrich List and the Americans Henry C. and Mathew Carey, must be applied to any future accords of the European Community. Lyndon LaRouche's Paris-Berlin-Vienna Productive Triangle of infrastructure and energy development, proposed just after the fall of the Berlin Wall, can be the basis of such cooperation.

If done in this way, the European Community of the future, which would include both east and west, would have concrete infrastructure projects and other physical economic projects as the central issue of collaboration. Instead of an EC Commission imposing its oligarchical will upon the individual nations by dictating the color of sun glasses or the length of bananas, governments of sovereign nations would be collaborating on economic policies in order to increase the productive power of labor.

Currency Rates

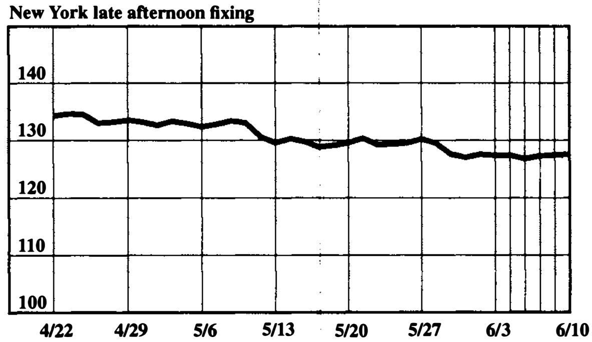
The dollar in deutschemarks

New York late afternoon fixing



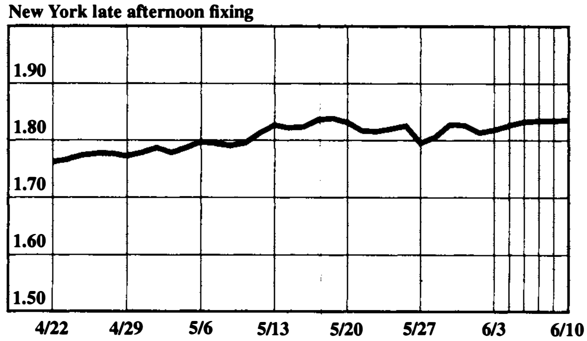
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing