# Strikes in Europe challenge Maastricht austerity regime

by EIR Staff

Exactly one year ago, France erupted in strikes against the austerity policies of Prime Minister Alain Juppé—the French version of Newt Gingrich's Conservative Revolution. Since that time, the economic crisis has gotten much worse throughout Europe, as unemployment rises, bankruptcies mount, and governments foolishly cling to the advice of their monetarist financial "experts," slashing budgets in an effort to implement the suicidal terms of the European Union's Maastricht Treaty.

Now, a new strike wave has broken out—not only in France, but in virtually every European country. Some members of the policymaking elites have broken ranks from the dominant pro-Maastricht line, and are warning of an imminent financial crash as a result of British free trade and "globalization" policies. Even the London *Times,* seeing the writing on the wall, though not wishing to draw the appropriate policy conclusions, published a column by Anthony Harris on Nov. 27, warning of a crash worse than the stock market debacle of October 1987. The "bull market" on Wall Street, he wrote, is really a "feeding frenzy . . . the kind of speculative climax which precedes every major crash. . . . It could be much worse than 1987. . . . Complacency, and even inattention, are surely out of order."

## A powderkeg

As of Nov. 26, a nationwide strike by truckers in France, demanding long-overdue wage increases and protesting the high price of gasoline, had been joined by railway workers. Some 160 blockades had been set up around the country, including at a dozen oil refineries. Gas stations were running out of fuel, and stores were running out of food.

Despite the hardships, the vast majority of the French population supports the strike (74%, according to one poll). An economics professor interviewed on Radio France-Inter commented that "the French population is in a big rage," and that the truckers strike could very well "ignite a spark beneath a dangerous powderkeg."

The pattern of strikes has spread to other countries:

**Denmark:** A truckers strike began on Nov. 25, as workers blocked Denmark's borders, announcing that they would allow no exports of meat or fish to leave the country by road.

**Germany:** Workers in the food-processing industry began an unlimited strike for sick pay, in four plants, on Nov. 25: Nestlé in Hamburg; Bahlsen in Barsinghausen and in Lindau; and Wissoll in Muelheim/Ruhr.

On Nov. 21, some 30,000 physicians and other medical personnel demonstrated against the effects of the government's budget cuts in the public health sector.

Forty thousand German postal workers are set to launch a strike against the continued deregulation of postal services, specifically the plans of the German Postal Service to hand over its entire parcel-delivery sector to private contractors by April 1997. The postal workers union expects the loss of about 10,000 jobs as a result, and may stage warning strikes and other protests before Christmas, the peak period for parcel delivery. The postal workers union also wants to force the Postal Service to transfer more money from the ongoing privatization of German Telecom, to the regular postal services. Official plans are, however, to use the privatization revenue to pay the old debt of the postal bank, while small post offices in the countryside are being closed down, for budget reasons. This alone will terminate 20,000 jobs.

**Spain** is heading for a general strike in the public sector. Madrid was the scene of a mass protest of 100,000-200,000 workers on Nov. 23. The protests are against income cuts, which the government of Prime Minister Aznar imposed in June, through a wage freeze for this year and the following one, justifying that with the need to meet the "Maastricht criteria," which specify, among other things, that deficits must be no greater than 3% of the national budget, and that national debts must be no greater than 60% of the Gross Domestic Product.

**Italy:** On Nov. 22, some 150,000 metal workers took to the streets to demand wage increases, and to protest against inflation and the Maastricht Treaty.

## Allais speaks out

The only sane person who has ever received the Nobel Prize in economics, France's Maurice Allais, took on the issue of "How to Really Fight Unemployment," in a commentary on Nov. 21 in the Paris daily *Le Figaro.* Allais has long been denouncing the destructive policies of free market economics, particularly the speculation in derivatives, and has warned of an impending banking crash. In 1989, he described the world economy as "one vast casino." Now, his warnings are becoming even sharper.

"Precipitous and anarchic globalization can only bring unemployment, injustice, disorder, and instability everywhere," wrote Allais in *Le Figaro.* "France is self-destructing." He continued: "In the name of pseudo-liberalism, and by the multiplication of deregulation, we are heading bit by bit toward a globalist laissez-fairist *chienlit.*" (The expression *chienlit,* from *chier en lit,* means to defecate in one's own bed.)

"The globalization of the economy, is certainly going to be profitable to certain groups of privileged people. But the interests of these groups cannot be identified with the interests of humanity as a whole. In the best analysis, in a truly liberal and humanist society, it is man who constitutes the final objective and the essential preoccupation. It is to this goal that everything must be subordinated. . . . The globalist opening-up of the European economy at all costs, done in a global context that is fundamentally unstable, and which is perverted by the system of floating exchange rates, is the primary cause for a profound crisis, which is leading us to the abyss. The facts are stunning: Economic analysis confirms them and explains them. The facts, as well as theory, permit us to state, that if the present policy is continued, it can only collapse. Today's crisis is, above all else, a crisis of intelligence."

Allais recalled the words of the late Jacques Rueff, economic adviser to President Charles de Gaulle, who warned of "global disaster" in the financial markets if the monetarists prevailed. Allais quoted Rueff's attacks on the "Manchester free market" as a negative contrast to the "institutional market." He also quoted Rueff concerning the international monetary system: "The instability of the monetary structures is such that the slightest incident occurring in international relations in the economic or financial realm could provoke a global disaster. More than ever, the reconstruction of an effective international monetary system is indispensable and urgent." Allais featured Rueff's attack on "this absurd and insane regime of the liberated economy," as well as Rueff's affirmation of national sovereignty.

After praising Rueff's wisdom and courage, Allais continued: "Today's crisis, the intolerable, massive unemployment which characterizes it, and which dishonors us, the destruction of French society day by day, are only the consequences of the dogmatic policies followed without let-up since the great break of 1974, and are leading us to disaster. It would be criminal to pursue these policies. The present situation cannot last. It must not last. And it will not last. We have to fight the causes. And this fight must be pursued, according to one principle, which must transcend all the others: Economy must be at the service of man, and not man at the service of the economy."

## The debate widens

Allais's blast against the free-marketeers is finding a resonance elsewhere among the French political elites, as the economic and banking crisis deepens. In the daily *Libération* on Nov. 21, editor-in-chief Serge July headlined his article, "Colbert Forever!" Jean-Baptiste Colbert (1619-1683) was the statesman who launched a dirigist national development policy for France.

"Is French neo-liberalism, which has heretofore been operating through the 'unique doctrine' [of monetarism], on the verge of disappearing?" July asked. According to him, three factors prove that the French are fed up with liberalism: 1) the most recent Socialist Party platform, which goes against the Fortress Europe concept, and calls for increasing supply-side policies, 2) recent proposals by former French President Valery Giscard D'Estaing for the devaluation of the franc against the deutschemark, within the context of the European monetary system, 3) the incredibly low popularity in the polls of President Jacques Chirac and Prime Minister Alain Juppé. The message is clear, continued July: "The inegalitarian character of the neo-liberal model has reached an unbearable level, and the state, on the other hand, in spite of the devaluation of the role of the politician, maintains exceptional credit as the great reducer of inequalities and as the guide. The liberal revolution will therefore not triumph in France. Conducted in great part by left-wing governments, it was never more than partial."

Leaving aside the specific Keynesian recommendations of July and his Socialist friends, the important thing is that the reality of which Lyndon LaRouche warned in his Ninth Forecast (*EIR,* June 24, 1994), is beginning to dawn on more and more Europeans: The whole financial and monetary system is going to come crashing down, unless free market policies are scrapped, and nations commit themselves to large-scale development of infrastructure, industry, and agriculture.