

# French and German Local Officials Launch Initiative for Glass-Steagall

by Our European Bureaus

Aug. 15—French and German local elected officials gathered on Aug. 10 in the French town of Arzviller and decided to launch a nonpartisan grassroots movement to take the fight for a Glass-Steagall-style banking system to towns, state assemblies, and national parliaments in the next few weeks. After several hours of deliberation, the mayors and city council members adopted the “Arzviller Declaration” (see *Documentation*).

The meeting was organized by the French Solidarity and Progress (S&P) party and the German Civil Rights Solidarity Movement (BüSo). In attendance were the leaders of those parties, Jacques Cheminade and Helga Zepp-LaRouche, respectively; two German city councillors, one German mayor, four French city councillors, six French mayors, and a dozen organizers from the LaRouche movement.

Michel Carabin, mayor of Arzviller, welcomed the guests to the town’s civic center, and thanked Jacques Cheminade, who had organized the meeting.<sup>1</sup>

Cheminade recalled in his opening remarks the spirit of the Elysée Treaty, concluded 50 years ago between Germany and France. By contrast, the political elites of both countries today, have “proved totally incapable” of defying the brutal international financial oligarchy, he said, which is destroying the social state, truly “over the dead bodies” of the citizens.

Contrary to those in Paris or Berlin who say, “Oh, these mayors can’t understand such complicated mat-

ters; they’re only interested in local issues,” the mayors are much more aware of the real situation than someone like French President François Hollande, Cheminade said. They see the link between what is happening on a local and regional level, and what is happening nationally and internationally. They are much more insightful and more concerned about the people than the leading politicians are.

Here in Europe, he said, it’s becoming impossible to live with dignity. It’s not only a financial crisis, but a crisis of civilization. On the level of cities, in the U.S., Detroit was put into bankruptcy and the municipal employees will have their pensions robbed; the same process is going on in Europe, where public services are being destroyed. In France, it’s called “shrinking the perimeter of the state.”

Simultaneously, there is ideological control of the people, to imprison them in irrationality. While some are gambling on the financial markets, others are betting small-time, with scratchcards. Such control, over decades, is aimed at getting people to accept policies they would otherwise never have accepted, he said. But today, even that is not enough, so the financier oligarchy is pushing for fascism.

German Chancellor Angela Merkel and President Hollande are both weak; they do not want to recognize the gravity of the situation and thus, they subjugate themselves to the existing system. Cheminade said he was particularly ashamed when he watched the German-French celebration of this year in Berlin on television: French Foreign Minister Laurent Fabius was sleeping most of the time; the snores of French Finance Minister Pierre Moscovici could be heard on TV; and Hollande looked like an agitated child. Merkel was almost as bad.

A major weapon of the enemy, he warned, is not only intimidation, but pessimism. Don’t believe those who tell you we are too few to change things. People

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1. Former French presidential candidate Cheminade gained a broad base of support during his 2012 campaign, among mayors of primarily smaller municipalities, which enabled him to get the more than 500 signatures of elected officials in support of his candidacy that are required. In addition, more than 220 mayors and elected officials have signed the call for a separated banking system issued in June 2012 by Zepp-LaRouche and Cheminade. Many of them have written recently to the U.S. Congress to express their support for the Glass-Steagall Act.



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*The Franco-German meeting in Arzwiller, France, on Aug. 10: Europe needs Glass-Steagall! The meeting's organizers, Jacques Cheminade and Helga Zepp-LaRouche, are seated to the right at the rear table.*

need to have a vision, that the future can be better than the past.

### **Collapsing Municipalities**

It was quite clear from the discussion that it is the municipalities that are suffering most directly from the speculative pillaging of the real economy, and that there is little difference between the problems faced in France and Germany. Everywhere the same types of projects are needed in both soft and hard infrastructure, which are no longer possible because of the austerity measures and lack of tax revenues—not to mention the devastating effects of financial swindles that the municipalities were drawn into.

Mayor Carabin said that this system absolutely has to stop, or the municipalities would collapse. “As you know, the municipalities are themselves employers. If they pull the plug on us, if they don’t help us to continue to provide employment, we will go under. We are in a stranglehold, coming from many sides.”

Some of the French mayors and city council members present in Arzwiller have introduced resolutions into their councils that sharply attack the new French

Financial Reform Act<sup>2</sup> and call for the introduction of the Glass-Steagall two-tier banking system instead. The German guests from North Rhine-Westphalia and Baden-Württemberg were particularly interested in this initiative and described the vicious cycle in their own communities: lack of tax revenue, increased social costs, and bureaucratic requirements for “balanced budgets” that destroy the substance of the community and only benefit the banks.

### **The Strategic Danger**

Helga Zepp-LaRouche, who had originally proposed this meeting, developed the dramatic context for this initiative, including the threat of an imminent nuclear war. She emphasized that the reinstatement of the Glass-Steagall Act, which is now the subject, in the United States, of “hand-to-hand combat” against Wall

2. The reform was voted up by the National Assembly (Parliament) on July 18. Contrary to what Hollande had promised during his election campaign, it contains no separation of commercial from investment banking; it would only oblige the banks to put some 1% of their speculative investments into a subsidiary (the concept known as ring-fencing). Moreover, the bill includes an endorsement of bank bail-ins by depositors’ funds—the Cyprus model.

Street, is the only chance to prevent financial collapse and the financial oligarchy's plans for a fascist solution. The Cyprus model, Detroit, and the Europe-wide plans for a "bail-in" of the banks, show, she said, that the financial oligarchy is deliberately preparing a policy that will lead to population reduction.

This challenge, and the idea that the Arzviller meeting is a crucial intervention for a Europe-wide movement for Glass-Steagall and defense of the common good, really caught fire among those present. The Arzviller Declaration was adopted unanimously, and will serve as the basis for the next round of activities and meetings.

Eugene Perez, mayor of Chamouilley in France, summed up the meeting in a video interview: "We need banks that operate in the public interest, whereas the investment banks, the casino banks, have to fend for themselves. We have to have the courage to put it bluntly: If we do not stop this now, we are heading for a major crisis, and also war—yes, war, in all likelihood.

"We must also build the future for our children and our grandchildren. The idea of being a mayor or elected official is to identify yourself with the future, not to wreck the future. . . . We have to fight the financial oligarchy, an oligarchy which is destroying our lives."

Katja Heintges, city councillor from Viersen in Germany, conveyed the group's fighting spirit: "I agree to sign the statement, but I want to emphasize that we need to commit ourselves to defending these ideas *after* this meeting."

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## Documentation

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### The Arzviller Declaration

We, the French and German mayors and elected officials gathered here in Arzviller [France] on Saturday, Aug. 10, in the spirit of the Elysée Treaty on its 50th anniversary, deplore the failure of our leaders to confront the financial oligarchy, which promotes social breakdown, tramples on national sovereignty, and imposes on the world a conscious policy of depopulation.

We experience the consequences of their failure on a daily basis in our towns and villages. Tax revenue has collapsed and vital public services are no longer ensured. The scandal around the international manipulation of the

Libor, and the ruinous, fraudulent swap contracts put out by the banks, which have hit many municipalities hard in Germany and France, are but the tip of the iceberg. We need a fundamental change of direction in order to protect the general welfare and the people.

We are particularly scandalized by the new banking laws in Europe, in Germany and France, which allow unbridled speculation, while imposing ever more criminal austerity policies. We do not want the causes that produced the monsters of the 1930s to produce the same monsters today! We are committed to stopping this infernal machine.

We believe the first step to be taken is to separate banks in order to prevent the financial criminals from doing further damage, because they know the state will protect them. This is known as the principle of the Glass-Steagall Act of Franklin D. Roosevelt, which we also had in Europe after 1945.

At the same time, to jump-start our economies, we call for massive long-term investment projects, based on developing man and nature, from the Atlantic to the China Sea, through an understanding based on mutual development among sovereign nations. The issuance of credit by national banks will allow us to control our future.

We are convinced that failure to return to such public initiatives, both nationally and regionally, will condemn us to remain under the order of the financial oligarchy in the City of London and Wall Street and their collaborators in our countries. To reclaim our identity as true Germans and Frenchmen, patriots and world citizens, we intend to raise the voice of justice and dignity, and demand a return to what inspired the very best of our history.

That clearly means exiting the euro system, which prohibits the funding of great projects with public credit and subjugates the states to the major banks. We want a world free of the City and of Wall Street so that future generations can live, discover, create, and implement mutual development. We want a true Europe of the peoples!

This is not a commitment based on partisan beliefs, consensus, or compromise; the commitment we make is to the future of our children and grandchildren, and beyond that, of all mankind.

We strongly support those in the United States, who are fighting for the same cause, and hope that their success will bolster our courage. We intend to make our initiative as public as possible, while giving our own leaders no reprieve.