After Berlin dictates EU bailout of Greece

French ruling elite debates how to deal with Germany

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Berlin's threat to unilaterally expel Greece from the eurozone, as it dictated harsh austerity policies to the country, has brought to the surface fundamental conflicts between the major European powers underlying the euro crisis.

Greece and the Greek working class are first in the line of fire of the cuts now being arranged by the European Union (EU). As the unfolding of the July 11-12 talks on the EU bailout of Greece made clear, however, Berlin's aggressive bid to establish its hegemony over Europe involves a far wider range of targets—including prominently France, the second largest eurozone economy after Germany.

German officials crafted a punitive bailout of Greece in open defiance of the positions of France's Socialist Party (PS) government, the International Monetary Fund (IMF), and Washington. They angrily rejected a drastic €13 billion austerity package French finance ministry officials had dictated to the Greek government of Prime Minister Alexis Tsipras.

While German Finance Minister Wolfgang Schäuble threatened to force Greece to exit the eurozone, a policy French President François Hollande had declared to be unacceptable, German Chancellor Angela Merkel dictated even more bone-crunching terms to Athens. Not only were the austerity terms stiffened, but Athens was forced to hand over billions of state assets to the EU for privatization. The deal, expected to increase Greece's debt load to a suicidal 200 percent of its Gross Domestic Product, reduces Greece to a semi-colonial status.

While Hollande has responded to the Greek crisis by pressing for closer economic integration among the eurozone countries, numerous French politicians and media outlets are expressing their concern and shock at the long-term implications of the new German policy.

On July 18, Dominique Strauss-Kahn, the former chief of the IMF and leading PS member, issued an open letter titled "To my German friends." The letter, whose title refers to Albert Camus' *Letter to a German Friend* written in 1943 and 1944 in Nazi-occupied France, warns bluntly that the European Union (EU) is on the verge of disintegration.

Strauss-Kahn was at pains to stress that he supported austerity, praising "sound management" and adding that he believed "in the Europe that together we once wanted."

Nonetheless, he criticized Berlin for creating a "crippling situation," writing: "The conditions of the agreement ... are positively alarming for those who still believe in the future of Europe. What happened last weekend was for me profoundly damaging, if not a deadly blow."

Citing "the risk of triggering a break-up" of the EU, Strauss-Kahn warned against a German policy of dictating terms to France and the southern European states. "A eurozone, in which you, my German friends, would lay down your law with a few Baltic and Nordic states in tow, is unacceptable for all the rest," he wrote.

Strauss-Kahn stressed that such policies would only bring to the fore historically rooted conflicts: "There is a long history, an apprenticeship of over tens, hundreds of years, with its successive episodes, at times of pain, of greatness for sure, and conflict also, between us European brothers. We have had to overcome our rivalries, even the most violent, without ever forgetting them. … But the demon that makes us repeat our errors of the past is never far away."

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Strauss-Kahn's letter points to the utter bankruptcy of European capitalism. As it imposes terms designed to reduce the Greek people to penury for generations, it is reviving divisions between major European powers that led to all-out war between Germany and France three times in the last century and a half.

The statement of Strauss-Kahn represents a belated public recognition by the French ruling elite that the reorientation of German policy, including Berlin's abandonment of its post-World War II policy of military restraint last year, threatens its fundamental interests.

Over the last quarter century, the French ruling elite has lived in a state of semi-denial as to the geo-strategic implications of the reunification of Germany in 1989, the dissolution of the USSR in 1991, and the establishment of the EU by the 1992 Maastricht Treaty. Through the EU, it sought access to European markets and justified budget cuts and attacks on jobs, wages and social services in the name of the Maastricht fiscal criteria. Paris also supported the spread of imperialist wars, from the Gulf War of 1990-1991 to the proxy wars France is currently fighting in its former colonial empire—Mali, Central African Republic and Syria.

Over this period, marked broadly by de-industrialization and social retrogression in France, Germany has emerged as a much stronger industrial and commercial power. It established powerful financial and industrial positions in Eastern Europe. As its military potential is being unleashed, moreover, Berlin is now signaling, through its policy on Greece, that it is willing to throw into question the basic political architecture of Europe and trample what Paris considers to be its fundamental strategic interests.

The French bourgeoisie is thus confronted with an acute dilemma. If it continues to deepen its subordination to the German diktat, what is posed is a humiliating, potentially dangerous relegation to second-class status. To openly resist, however, poses the risk of all-out confrontation with Germany—either in the form of speculation against French debt along the lines of what was done to Greece or, ultimately, of outright military conflict.

Of particular concern to the French bourgeoisie is the fact that conflict with Germany would intensify class tensions in France. Currently, the Hollande administration does not want to be seen as de-legitimizing austerity by opposing German policy in Greece, when it is seeking to boost French competitiveness by imposing deeply unpopular austerity measures against workers at home.

It is deeply concerned, like the rest of the European bourgeoisie, at rising social anger in the working class, both over conditions at home and in Greece.

EU Council President Donald Tusk, a supporter of savage cuts in Greece, recently warned of revolution in an interview to the *Financial Times*: "The atmosphere is a little similar to the time after 1968 in Europe. I can feel, maybe not a revolutionary mood, but something like widespread impatience. When impatience becomes not an individual but a social experience of feeling, this is the introduction for revolutions."

One commentator, French historian and anthropologist Emmanuel Todd, warned of the danger that Paris could come to be seen as too directly aligned with a bankrupt policy imposed by Berlin in defiance of the Greek people's wishes.

Todd told the Belgian daily *Le Soir*, "For Hollande, it's the moment of truth. If he lets the Greeks fail, he will go down in history on the side of those social democrats who voted emergency powers to [France's World War II-era, Nazi-collaborationist dictator] Marshal Pétain. If the Greeks are somehow slaughtered with the complicity and collaboration of France, we will know that it is Pétain's France that is in power."

Whatever the French government ultimately does, Todd's devastating remark contains a significant element of truth as to the utterly reactionary character of French imperialism. Its record in Greece, from which it sought to extract maximum repayment for its own banks, is the reflection in its foreign policy of its all-out assault on the jobs, wages and social rights of the working class at home.

If angry Greek workers have compared Berlin's economic onslaught against Greece to the Nazi occupation of Greece in the 1940s, the role played by French imperialism has been that of a cowardly collaborator of Berlin in looting the Greek people.

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