

After German elections, France's Macron proposes European deal to Berlin

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On Tuesday afternoon, French President Emmanuel Macron spoke on his proposals for the European Union (EU) in the main auditorium at the Sorbonne University in Paris. He called for an escalation of European military power and intelligence agencies, as well as preparations for new bank bailouts, attacks on working people and anti-immigrant policies, amid growing tensions with the United States and China.

Macron, who was elected nearly five months ago, delayed his first speech on these critical issues until after the German general elections last Sunday. It was widely understood that Macron's proposals for developing the EU as a militaristic alliance competing with Washington and Beijing required close collaboration and agreement with Berlin.

In the event, the French president's speech was overshadowed by the German election result on Sunday, which strengthened parties hostile to financing his plans. In addition, nearly 100 deputies of the far-right Alternative for Germany (AfD) were elected to the German parliament.

The setback to Chancellor Angela Merkel's outgoing Grand Coalition of the Christian Democratic Union (CDU) and the Social-Democratic Party (SPD) has clearly dealt a blow to Macron's ambitions. French commentators assume a CDU-Green-Free Democratic Party (FDP) coalition, now being floated as a possible successor to the Grand Coalition, would be far more hostile to the French president's proposals.

Before Macron even delivered his remarks Tuesday, FDP leader Christian Lindner attacked his plans, warning the FDP would not allow anyone to set up "a pipeline taking German money to other member states of the euro zone." Lindner added, however, that he was open to discussing and funding relevant EU agendas and projects.

At the Sorbonne, Macron congratulated Merkel on her CDU's coming first in the election and tacitly pressed for

continued collaboration between Berlin and Paris: "I know also how hurt she is that hateful and nationalist voices received so many votes. But I know her reaction will not be to step back or become timid." He called for a "decisive and concrete Franco-German impulsion" to develop new European projects.

Macron hailed his own labour decrees and harsh austerity agenda as key to the buildup of the EU as a "competitor to China and the United States, and to how we will achieve what for 10 years we failed to do: create jobs, so that a generation, today's youth, not be condemned to unemployment by our problems, our imbalances. ... We are doing reforms, we are transforming our country, but we do it with a European ambition. I have no red lines, only political horizons."

He proposed a large and costly buildup of European military and intelligence services. He said Europe needed a "common intervention force, a common defence budget, and a common operational doctrine" and called for building a common "European intelligence academy." He indicated Europe should build a research facility like the US Defence Advanced Research Projects Agency (DARPA), which carries out technological and weapons research. He also proposed to formulate a common asylum and immigration policy, based on "controlling our borders."

Finally, Macron issued a longstanding and controversial demand from Paris to Berlin, for a common euro zone budget financed by taxes from all the eurozone member states. Berlin has long opposed such proposals—fearing that France, Greece, or other eurozone states would use them to demand German financing for industrial, military, or other projects hostile to its interests.

The French leader promised to enforce social cuts in France, "but we also need common rules and instruments." Tacitly pointing to Berlin's longstanding policy of enforcing its hegemony in the eurozone by

threatening to cut off European Central Bank credit to the banking systems of other eurozone countries during financial crises, Macron reiterated French demands for “growth” policies.

Macron said, “We need more investment, more ways to stabilise our economies amid economic shocks, as a state can no longer face a crisis when it no longer sets its monetary policy. And so for all these reasons, yes, we need a stronger budget at the heart of Europe, at the heart of the eurozone.”

Macron’s speech and the German election results underscore the reactionary character of European capitalism. Claims that after the election of Trump installed a fascistic US president in the White House, a Merkel-led EU would be the new “leader of the free world” were thoroughly delusional. The little the eurozone countries can agree upon—amid rising results for far-right parties in Germany, France and across Europe—are massive increases in military spending, the expansion of the spying apparatus, and unilateral decrees to slash wages and allow employers to hire and fire workers at will.

The US-EU trans-Atlantic alliance has collapsed, after a quarter century of escalating imperialist war across the Middle East, the Balkans, Africa and Central Asia since the Stalinist dissolution of the Soviet Union in 1991. Trump’s election and Britain’s vote to exit the EU last year, which removed the main internal obstacle to building an EU military bloc hostile to Washington, accelerated the collapse. But the historically rooted contradictions of European capitalism, which erupted to the surface after the 2008 crash and the subsequent Greek debt crisis, remain and are growing.

Initial reactions to Macron’s speech were frosty. Claire Demesmay of the German Society for Foreign Policy (DGAP) think tank told *Deutsche Welle* that Merkel was not enthusiastic, without totally ruling out an agreement. She said Macron wants “more solidarity in the EU and his motto is European sovereignty. ... He wants to change a lot with an EU intervention force, an EU asylum authority, and a eurozone budget. That is an awful lot, and I do not think that Angela Merkel is especially enthusiastic. But she also needs a strong France to ensure cooperation within the EU.”

France’s *Les Echos* daily wrote in its editorial yesterday that a proposal for a common eurozone budget “is unlikely to convince Berlin in its current form. ... It is highly irritating to German politicians, above all those in Angela Merkel’s camp.”

Macron may well be calculating that Berlin needs Paris as an ally against Washington and will have to make concessions to the French banks and his government. *Les Echos* noted it was important for “German leaders” to be clear on what Macron’s “offer” was. Amid post-election horse-trading in Berlin, he might hope to shift the policies or even the composition of the next German government.

By inviting Trump to Paris for Bastille Day this past summer just as he was signing a defence industry pact with Berlin, the new French president sent an unmistakable signal to Berlin that Paris had options and might, under certain conditions for the right price, dump its European “ally” for Washington.

Macron’s unrelenting commitment to social cuts and a permanent state of emergency makes clear, however, that any deals he reaches will be at the expense of the working class. Nor are there many indications suggesting that Paris will be successful in its attempt to obtain more hand-outs for its banks and favoured business initiatives.

Le Point noted that Macron was simply repeating similar proposals made by his predecessors, Nicolas Sarkozy and François Hollande, at the beginning of their terms: “Angela Merkel politely listened and proceeded to totally ignore them. And the two French presidents were unable to make Europe change the way they had wanted.”

In a lead editorial for *Nouvel Obs*, economist Daniel Cohen pointed to differences in Berlin’s policy “according to whether [Merkel] maintains the old coalition with the SPD ... or allies with the FDP.” He noted, “Merkel has sent very positive signs to Emmanuel Macron. ... But Merkel has two irons in the fire. She also supports the proposals of her finance minister, Wolfgang Schäuble,” a supporter of deep austerity and of expelling Greece from the eurozone.

Warning of a likely “new financial crisis” to come, Cohen bitterly attacked the possibility that the differences would be papered over, leaving France unprotected in the event of a new crash: “The risk, as always, is to do a little of everything: a ‘little’ budget to keep the French happy, a European monetary fund guaranteeing financial orthodoxy to reassure the Germans. Europe can no longer afford the luxury of such window dressing.”



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