

Economic Dictatorship Ahead? The Eurozone Is Finished!

by Helga Zepp-LaRouche

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Feb. 19—Germany is in existential danger, in more ways than one. The French media report that Chancellor Angela Merkel (CDU), apparently for the first time, at the EU summit on Feb. 11 in Brussels, abandoned her previous resistance to the establishment of a European economic government. This means that in the future, the Council of Europe, supported by 30,000 green bureaucrats from the EU Commission—and thus, of course, a body that is not accountable to the voters—is supposed to determine economic policy in Germany. This move toward an oligarchic dictatorship, which was foreseen in the Lisbon Treaty, will do absolutely nothing to change the fact that the financial system and thus, the Eurozone itself, are flying apart in all directions, because Spain and Great Britain are even more bankrupt than Greece.

Secondly, the CDU (Christian Democratic Union) in the state of North Rhine-Westphalia (NRW) is openly heading toward an alliance with the Greens, which—even without a financial crash—would drive Germany, as an industrial nation, even further into ruin, and drastically reduce the living standards of the population. That is, if it is not stopped.

The ‘Tragedy’ Is Not Greek

It is quite likely that the planned European economic government would be enthroned on a corpse. For a “Greek tragedy threatens Britons,” as the *Financial Times Deutschland* writes, while Jim Rogers, co-founder of the Quantum Fund, says, “I would advise you to sell any sterling you might have. It’s finished,” and Bill Cross of the Pimco investment fund warned against any investment in Great Britain, “because Brit-

ish gilts [government bonds] are resting on a bed of nitroglycerin.”

The figures speak for themselves: In January, the British government was unable to borrow on the financial markets, and had a budget deficit of £4.3 billion instead of the expected £2.8 billion surplus; income tax revenues tumbled by 19.8% compared to the previous year; net debt rose to 59.9% of GDP, and the budget deficit to 12.8%—higher than in Greece.

But the worst is yet to come for Great Britain, because Spain, with which the City of London is closely intertwined, is a much larger financial bomb than Greece. The Union Bank of Switzerland (UBS) recently published a comprehensive 68-page report, warning its customers that the Spanish banks are covering up their losses, especially in the mortgage market and commercial real estate. The Spanish real estate market, according to the bank, was overvalued by more than 30%, and NPL (non-performing loans) were probably on a scale of 30-40%, which was concealed by all sorts of restructuring.

The *Financial Times* wrote on Feb. 18 that people should be much more worried about Spain than about Greece, because Spain’s debts are so massive that even Germany and France combined could not save it. And the guru of a one-world currency, Robert Mundell, told Bloomberg that Italy is the biggest problem of the Eurozone.

While the media initially tried to focus on the relatively small crisis in Greece, and the EU desperately tried to make it a bloody example of austerity policies, still the magnitude of the crisis can no longer be swept under the rug: In fact, we are dealing here with the collapse of the international debt bubble whose center is the British Empire—i.e., the conglomerate of investment banks, hedge funds, and financial institutions that,



Germany's Kalkar fast-breeder reactor was closed in 1991, and turned into an amusement park. Its cooling tower is now a "climbing wall."

since the crisis broke out in late July 2007, have insisted, again and again, on "rescue packages," at the taxpayers' expense.

This conglomerate is "too big to save." Because the attempt to "save" all the countries that are threatened with state bankruptcy—which have meanwhile mutated from "PIIGS"¹ to "STUPID" (Spain, Turkey, United Kingdom, Portugal, Italy, and Dubai; and we would have to add a whole series of other countries)—could only lead to a massive hyperinflationary policy, opening the monetary floodgates. Such a depreciation of the currency would have incalculable social consequences for the so-called little people, who are already furious at the fat bonuses given to the bankers.

If the collapse of Germany and other European states is to be prevented, then the entire banking system needs to be immediately placed under a Glass-Steagall standard, and the financial instruments and debts that cannot be refinanced should be instantly cancelled. The Eurosystem, with its rules established by the Lisbon Treaty, must be dissolved, and Europe must

1. Bankers' jargon for Portugal, Ireland, Italy, Greece, and Spain—ed.

revert to its sovereign nation-states.

Germany has every right to revoke the Eurodiktat imposed upon it by Margaret Thatcher, François Mitterrand, and George Bush, Sr., and, like any country, under international law, can repudiate an international treaty if it is contrary to its fundamental interests. And steps must be taken immediately to return to the deutsche-mark. The difficulties that would have to be overcome to do that are a piece of cake, compared to the problems Germany would face as paymaster for the bankrupt Eurozone.

A 'Black-Green' Nightmare

Until the election in North Rhine-Westphalia in May, Chancellor Merkel and the CDU are, above all, trying to downplay the true extent of the disaster, and draconian cost-cutting measures will be announced right after the election—but this will be difficult to pull off, given that time is running out, and taking into account the dynamic of the collapse. This dynamic includes not only the member-states of the Eurozone, but, not least, the German municipalities. The massive breakdown of local business tax revenues has brought many cities and towns to the brink of ruin, and is forcing the closure of day-care centers, swimming pools, libraries, etc.—accomplishments that took decades to build. And that also means a huge cut in the citizens' quality of life.

Given this overall situation, it is really a bit much to see how shamelessly the CDU (popularly identified with the color black) in North Rhine-Westphalia is heading for an alliance with the Greens. While a large proportion of FDP (Free Democratic Party) voters now clearly realizes that it was perhaps not so smart to vote for the FDP, Merkel has given Environment Minister Norbert Röttgen (CDU) a free hand, with his statements about getting out of nuclear power as soon as



Jürgen Rüttgers (CDU), the prime minister of North Rhine-Westphalia, is cutting a deal with the Greens.



Lauren Chaperon
German Environment Minister
Norbert Röttgen (CDU) is an alumnus of the black-green "Pizza Connection."

a coalition with the CDU, Environment Minister Röttgen, with the full support of Merkel, is profiling himself as an advocate of closing any nuclear power plants that are still in service as quickly as possible—a clear signal to the Greens.

Röttgen belongs to the so-called "Pizza Connection," a loose association of young conservatives and young Greens,

possible, paving the way for a black-green coalition in NRW.

Voters in North Rhine-Westphalia are well advised, before the election, to imagine very clearly what this means, in a federal state that has already become the biggest victim of the cultural paradigm shift: that NRW has been transformed from a region with a great density of ultra-modern industry and infrastructure, into an area in which the most modern steel mills were shut down, and today, what were formerly factories are now museums, and casinos, banks, and insurance companies will dominate the skyline of the cities. Instead of building the Transrapid maglev train, in conjunction with the CargoCap,² large parts of NRW were declared Emissions Zones,³ and the traffic jams on the highways are getting longer and longer.

Black-green: a nightmare for North Rhine-Westphalia!

Black-Green in NRW? Bye-Bye Germany!

The CDU in North Rhine-Westphalia has just one goal: to keep Prime Minister Jürgen Rüttgers in power. Given doubts as to whether the FDP in NRW will make it over the 5% hurdle,⁴ or receive enough votes to form

which came together at an Italian restaurant in Bonn in the 1990s, to discuss the possibility of a black-green [CDU-Green] coalition. Such a coalition already exists in Hamburg; NRW is supposed to be next, and then a Hamburg-NRW axis in the Bundesrat [upper house of parliament] would be impossible to circumvent, and Röttgen's call for the early shutdown of nuclear power plants would then be on the agenda.

The only problem is that it was already clear to all participants, when the federal red-green [Social Democratic-Green] coalition adopted the Nuclear Phaseout Treaty in 2002, that Germany's energy supply cannot be ensured without nuclear power; that the energy deficit for the modern industrial nation of Germany could in no way be met by renewable energy sources; and that if the whole country were covered with concrete for wind turbines, there would be no place for industry, agriculture, cities, forests, and people. Or, we would have to make ourselves totally dependent on overpriced and crisis-prone imports.

At a hearing of "experts" of the Green parliamentary group on Feb. 11, 2010 in Berlin, the participants openly admitted that none of them had the faintest idea of how to supply energy after nuclear power plants and coal-based power plants (!) are shut down—and closing both of these is the stated goal of the Greens. After all, electricity cannot be stored, there is no Sun at night (and we only have sunshine here some of the time

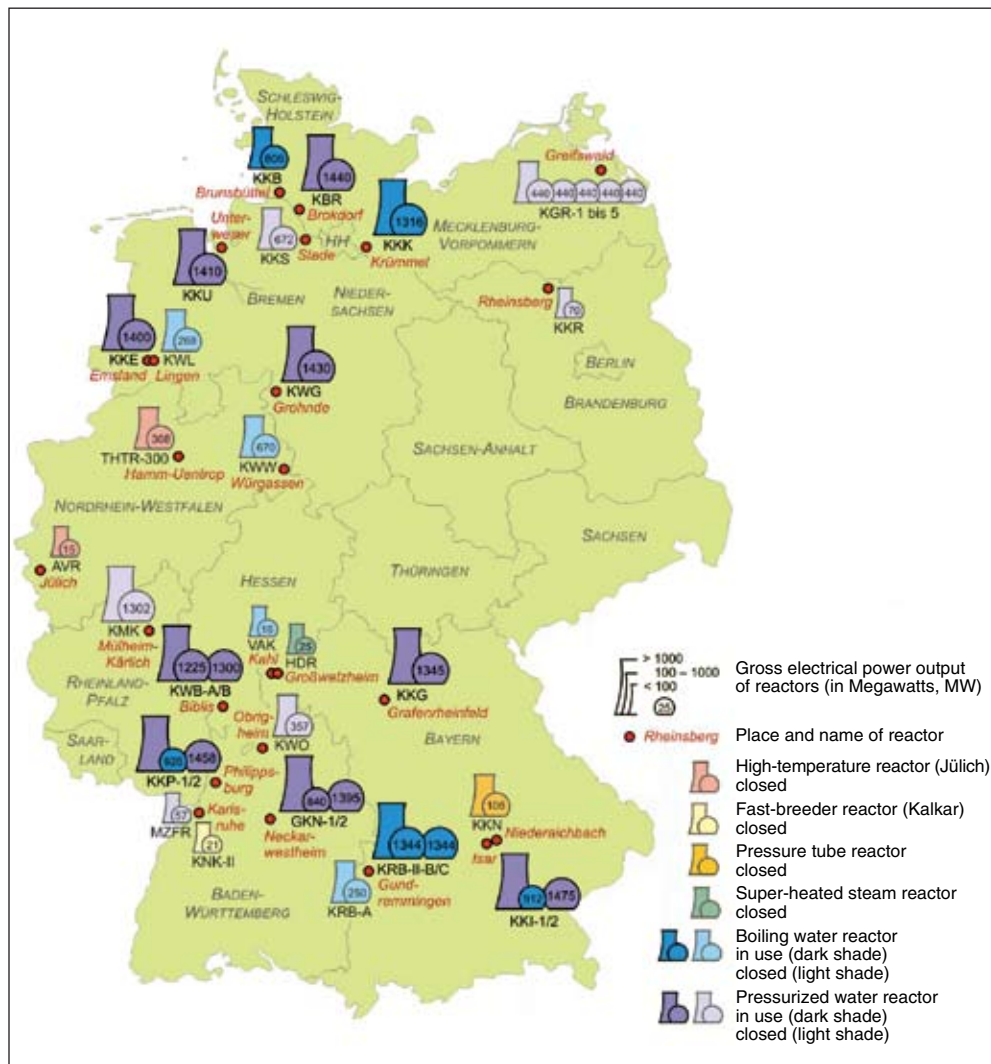
to be represented in parliament, either on the state or federal level.

2. See "CargoCap: A New Way To Transport Freight," *EIR*, Oct. 12, 2007.

3. *Feinstaubzone*. Emissions Zones are restricted to vehicles that have a special green environmental sticker, signifying low emissions—ed.

4. A German political party is required to receive at least 5% of the vote

FIGURE 1
Nuclear Power Plants in Germany



Wikipedia Commons

This map is a bit outdated. As of the beginning of 2010, the following 14 plants remain open (date of scheduled closure is in parenthesis): Unterweser (2012), Emsland (2020), Philippsburg 1 (2012), Philippsburg 2 (2018), Brokdorf (2019), Krümmel (2017), Grohnde (2018), Grafenrheinfeld (2014), Isar 1 (2011), Isar 2 (2020), Gundremmingen B (2015), Gundremmingen C (2016), Neckarwestheim 1 (2010), and Neckarwestheim 2 (2022).

anyway), and the wind does not always blow.

Even now, no other European country has electricity that is as expensive as in Germany. Forty percent of the price consists of mandatory expenditures and taxes for renewable energy. Already, the average family (statistically speaking, 3.2 persons) is paying EU420 per year to subsidize solar and wind energy. Of the approximately EU30 billion going to this purpose in 2010—

which is about the total cost of Hartz-4⁵—EU13 billion is direct revenue to the equipment operators, and the rest goes to the manufacturers. So for them, it will be profitable.

If you take the case of Hamburg, you can see that the Greens are quite serious about shutting down existing coal-fired power plants, and preventing the construction of new ones. The licensing of the Moorburg coal plant there was one of the sticking points in the black-green coalition negotiations. Because the rejection of this power plant was a catastrophe for Hamburg’s energy-intensive industries, and power supplies will no longer be guaranteed after the shut-down of the nuclear power plants in Brunsbüttel and Krümmel, the Swedish power company Vattenfall sued the City of Hamburg, and was supported by the Chamber of Commerce and the employees of the large industrial enterprises.

There are currently no nuclear power plants in NRW, and seven coal-fired plants are under construction or in planning.

None of these plants has yet received final operational certification. The same thing could happen as occurred with the nuclear fast breeder reactor in Kalkar, where

5. Hartz 4, enacted into law in 2005, sharply reduced the unemployment compensation to workers who have been unemployed more than one year. It specifies, among other things, that any job offered through state and private job agencies must be accepted, irrespective of pay below standard levels, the person’s qualifications, or job location—ed.

former NRW Prime Minister Johannes Rau effectively refused to allow commissioning, once the reactor was completed.⁶ Since the CDU in North Rhine-Westphalia has no great affinity for coal, and the German states largely have authority over licensing and the responsibility to monitor operations, pressure can be put on the individual power plants or they can be blocked. This is certainly what is to be expected, if the Greens get into the government.

The decision on the continued operation of nuclear power plants, all of which are now in other states, is expected after the election in NRW. Then, an NRW-Hamburg axis of black-green governments could secure the early phaseout of nuclear energy, and present a very uncertain future for coal-fired power plants. As long as the CDU was in the Opposition, or was in a coalition with the FDP, it at least put up a pretext of calling for an industry-appropriate energy policy. But the price for the coalition with the Greens would eliminate that.

A New Morgenthau Plan

Under those conditions, maybe the lights would not immediately go out in NRW and the rest of Germany, but the price of electricity would rise exponentially, and this would contribute to a further deindustrialization of our country. And if all else fails, Greenpeace and the World Wildlife Fund affirmed their confidence, at the aforementioned meeting of the Greens in Berlin, that one could always rely on the EU, if necessary, to decree green policies “from the top.” This tactic was already used by the Greens in the past, when green policies were blocked in the Bundestag.

The plan of the British Empire and the EU for Germany is the Morgenthau Plan,⁷ but without any farmers, because farmers will go bankrupt as a result of current EU policies. The WWF has released a new study, “Model Germany: Climate Change by 2050,” which, ignoring all the scandals about fraudulent climate change data, demands a 95% reduction in CO₂ emissions by 2050, with 70% of electricity to come from renewable sources—which, as already mentioned,

6. The reactor complex, completed in 1985 but never used, was shut down in 1991, while Rau was the governor of NRW; it is now an amusement park.

7. The Morgenthau Plan was proposed by U.S. Treasury Secretary Henry Morgenthau in 1944 for the postwar occupation of Germany. It would have dismantled Germany’s capability to wage war, by such measures as destroying all heavy industry. The plan was later dropped.

would turn Germany into a landscape of horror, covered with concrete blocks and dead birds. And of course, they are assuming a population reduction of 10 million people in Germany. The perverse thing is that people like the WWF’s super-guru and ecology-oligarch, Maurice Strong, see the financial crisis and the destruction of the real economy triggered by it as very positive, since they think that less production, naturally, spares the environment.

Faced with the threat of a green EU dictatorship that is soon supposed to determine economic policy for Germany, and the threat posed by a black-green coalition in NRW—all this against the background of the disintegration of global finance and the Eurozone—it is therefore no exaggeration to say that Germany finds itself in existential danger.

Fortunately, there is the BüSo, which is participating in the election campaign in North Rhine-Westphalia—a party that stands for scientific and technological progress and the reindustrialization of Germany, in the context of a new credit system and a new, just world economic order.

Die Zeit reported on Jan. 20, 2010 that a meeting took place at the Chancellery on Oct. 8, 2008, to which Merkel and [then-Finance Minister Peer] Steinbrück invited the heads of the major newspapers, to beseech them “not to spread a bad mood”—this, at the height of the Lehman Brothers crisis. The media representatives apparently made sure that the meeting was never noted on the Chancellor’s calendar. So much for democracy and transparency in our country.

Thus, the chance was missed to carry out a real reorganization of the financial system, so that, instead, the jiggery-pokery and gambling could blithely continue. And our “Climate Chancellor” has still not admitted that she has either been taken in by a gigantic swindle, or does not have the slightest idea of what science means. Unfortunately, both variants are very expensive for our economy.

U.S. Democratic Sen. Evan Bayh of Indiana has recently declined to run for office again, because he considers the political system in America to be dysfunctional, dominated by “brain-dead partisanship.” He called on the voters to chase incumbent Congressmen from office en masse, and replace them with people who will really work for the common good, rather than leaving the field to lobbyists with deep pockets.

If Germany is to have a chance, elect the BüSo to the state parliament in NRW!