

## Who Will Prevent ‘Apocalypse’ In Bankrupt Europe?

by Helga Zepp-LaRouche

June 18—According to EU Commission President José Manuel Barroso—who is known for spending his holidays aboard the yacht of the wealthiest man in Greece, Spiro Latsis, and who organized a bailout package for the latter’s bankrupt bank—the European nations are threatened with an Apocalypse, civil wars, and military coups in several states, if the funds available for further bailout packages are not increased, and if citizens keep on demanding the social benefits they are used to. Barroso issued this outrageous provocation at a meeting with trade union leaders in Brussels a week ago.

The truth is exactly the opposite: If the European governments continue to submit to the dictates of the EU, and keep increasing their sovereign debts with inflationary methods, just to the save gambling banks, and, at the same time, brutally cut the living standards of the poor and near-poor portions of the population, then an “Apocalypse” will threaten us very soon, even as early as July 1, when the European banks, among others, will have to refinance EU442 billion, or Greece will demand a new bailout and Spain its first one.

It is obvious that Europe’s governments have learned nothing whatsoever from history, which they demonstrated once again at the EU summit meeting in Brussels June 17-18. In the tradition of Chancellor Brüning’s austerity policy of the 1930s, which led to fascism and military dictatorship, they decided on virtually nothing

except “more austerity,” which was perceived as “Germanization”—since nobody keeps as close watch over its budget as does the German government. In other words: Brüning for everybody!

### Impotent Summitry

Far from going after the problem at the root, and either deciding in favor of strict re-regulation of the banks, as existed in Germany before 1992, or in favor of a two-tier banking system (like the Glass-Steagall system that formerly existed in the United States), the completely unworkable demands for a banking fee and a financial transaction tax collapsed, as expected, because of resistance from Great Britain, the Czech Republic, and Sweden. The final document said that a financial transaction tax should be “investigated and developed.” Chancellor Merkel’s answer to the question of who should look into the adoption of such a tax: “The G20 or the IMF, of course; I don’t know.”

It doesn’t take much boldness to venture the prediction that nothing will come of the G20 Summit in Toronto at the end of June either. As long as Obama, a loyal servant of Wall Street, remains in office, and as long as the governments of continental Europe stick to their blindness with respect to the role of Great Britain, an early collapse is certain. It seems inconceivable, but Canada intends to spend \$1.1 billion on the summit, including for an artificial lake, \$4 million for a security



*Training exercises of the European Police Forces in Lehnin, Germany, on June 14. They are preparing for possible social upheaval in EU countries. Shown are French and Portuguese police in front of a burning barricade.*

EU

fence, and \$993 million overall for security measures at this “gold-plated summit,” according to the *Toronto Star*.

The monthly report of the European Central Bank (ECB), released on June 17, underscores once again the absolute irresponsibility of the failure to act—whether out of cowardice, incompetence, or corruption, or a combination of all three. At the beginning of May, there was a threat of a total breakdown crisis that would have overshadowed the bankruptcy of the U.S. investment bank Lehman Brothers on Sept. 15, 2008. The reaction to this threatened tsunami was the EU750 billion bailout, which took the German government by surprise, and the subsequent ECB buy-up of toxic state debts.

### **Sitting on a Volcano**

The EU Commissioner for Competition, Joaquín Almunia, now warns, in an interview with the *Frankfurter Allgemeine Zeitung*, that governments are going to be confronted with new banking turbulence, led by the cases of Greece and Spain, and that the ECB will have to buy up a couple of hundred billion euros more in the sovereign debts of the southern states. The European banks will have to refinance about EU2 trillion by 2012, he says. As enormous as these admissions are, the truth is even more dramatic: We are sitting on top of a volcano just before it erupts.

Some brave individuals—too few—are speaking out against the disastrous trend, such as the former chair of the Council of the Evangelical Church, Margot Kässman, who called on the churches to resist cuts in benefits to parents who are recipients of the Hartz 4 welfare funds for their children. Social Democratic political figure Gesine Schwan was very much in tune with the popular mood, when, at a memorial in honor of the June 17, 1953 uprising in East Germany (which was crushed by the Soviet Union), she drew a parallel to the situation today, indicating that the population is gripped by feelings of impotence and injustice. The criticism of Schwan’s speech by Arnold Vaatz, deputy chair of the Christian Democratic parliamentary caucus—in which he brandished the club of political correctness, saying that such a comparison is absolutely unacceptable—is unfortunately typical of the callousness in Germany today. Our country is going to Hell, and all those who are politically correct are complicit.

Is this comparison really so far-fetched, when Barroso is talking about Apocalypse and civil war? When the third European Police Forces Training exercises took place in Lehnin, in which 320 policemen from 16 EU countries trained in “counterinsurgency” at one level below open warfare? And when there is an attempt to sneak in a hybrid form between military and police

forces, violating Germany's constitutionally mandated separation of the military and police, by the creation of a German Gendarmerie? Furthermore, the EU has long had maps identifying the regions and city neighborhoods throughout Europe where social problems are expected.

Merkel complained recently that the job of an honest advisor on the financial system was still available. That should be taken care of.

### War with the British Empire

The main problem is a relentless war which the modern form of the British Empire, now represented by the financial interests of the City of London and its subdivision, Wall Street, are waging against sovereign nation-states, as the only entities that can defend the common good, especially in times of crisis.

In 1984, the investment bank JP Morgan, which is definitely part of this empire, and whose director at that time was Alan Greenspan, prepared a pamphlet attacking the Glass-Steagall law (see article, p. 4); at about the same time, the Briton Baron Cockfield was getting ready to bring the European continent under subjugation by the supranational and ultimately British-controlled European Monetary Union. In his "White Paper" entitled "1992," Cockfield outlined the plan for the process that led to the EU treaties from Maastricht to Lisbon, as well as the repeal, after 1992, of 80 laws and regulations that had governed German banking, which then allowed the unregulated operations of the financial locusts and mega-speculators.

The euro was not invented by someone from continental Europe, but by that same Baron Cockfield, who from 1979-82 was Minister of State at the Treasury in the Thatcher government, and later vice president of the European Commission under Jacques Delors. Cockfield is actually considered the "father of Maastricht."

"Kohl's girl" [Angela Merkel] should someday ask Helmut Kohl whether he still remembers Thatcher's "Fourth Reich" campaign against him and German reunification, and the threats by François Mitterrand against Germany at that time. Kohl has often said that he knew that the European Monetary Union could not function without political union; Germany was simply blackmailed and overwhelmed, forced to give up the deutschemark and accept the hated euro. The promise that the euro would be as stable as the D-mark was a joke. And the fact that Germany would become the pay-

master for all of Europe, was not in the instruction manual for this sham.

Margaret Thatcher is also the origin of today's cliché that there is "no alternative" to such-and-such a policy, as Merkel says, and the four advisors, including Oxford professor Clemens Fuest, chief of the Scientific Advisory Board at the Finance Ministry, and Professor Unsinn<sup>1</sup> from the IFO Institute, with their "Ten Rules for the Rescue of the Euro," a hodge-podge from the monetarist chamber of horrors.

There is a very simple alternative: We must stop using taxpayers' money to refinance the banks' completely worthless toxic waste. Since it is not realistic to reintroduce the 80 laws and regulations that have been abolished since 1992, given the dramatic shortage of time, we need the immediate establishment of a two-tier banking system. The state must provide the commercial banks with credit lines, so that loans can be extended to industry, agriculture, trade, and other areas that serve the common good. If the investment banks want to gamble, it is they themselves that should pay for the damage, not the taxpayers.

If we want to prevent this crisis from quickly developing into the worst crisis in the history of mankind, we now need a radical change. We have to stop allowing British law firms and consulting companies to make our laws for us. We must return to the principles that formed the foundation for Germany as an industrial nation and social community. We need a policy of growth, investment in infrastructure, and scientific and technological progress at the highest level.

Therefore, it is time to vote out the parties whose political leaders are in a revolving-door with the financial sector, serving in high office and then being transferred back again.

And we don't want Frau Schwan to be right with her comparison to 1953, because that date stands for a tragedy in German history.

Let's bring to life a different date: 1989! We are the people!

The financial institutions are the Honeckers<sup>2</sup> of that time.

We are the people!

1. Hans-Werner Sinn is the head of the Institute for Economic Research at Munich University; the pun on his name could be translated as "Professor Poppycock."

2. Erich Honecker was the ruler of communist East Germany, famous for his claim—shortly before his ouster in 1989—that the Berlin Wall would last for a thousand years.