

# Will U.S. Let Europe Fall Under New Dictatorship?

by Nancy Spannaus

Oct. 1—The contrast couldn't be starker. While the premier U.S. scientific laboratory Oak Ridge announced layoffs of 11% of its staff, the South Korean government reported at the International Astronautical Congress in Beijing on Sept. 28 that it was upping the schedule for its planned Moon landing by five years. Similarly, while Germany faces dramatic increases in energy prices, following its decision to "exit" nuclear energy, China is producing nuclear plants at a rapid clip, presently, 29 in process.

This contrast represents the difference between the trans-Atlantic region, whose people are now being crushed under a monetarist dictatorship, and the Pacific region, which, despite enormous handicaps, is striving to achieve real progress in scientific and technological growth. In Asia, we see the impulse for life, in the U.S. and Europe, the capitulation to death.

Yet, without saving the scientific and technological capacity of the trans-Atlantic region, ultimately, the entire world economy is doomed. What is needed immediately is action by the United States to free the world from the British financial empire by enacting Glass-Steagall, thus setting into motion the process of freeing the *world* from that empire's crushing illegitimate debts, and unleashing a crash program for a new industrialization based on fusion power, and major infrastructure projects.

## European Dictatorship

Step by step, from the Maastricht Treaty, to the Lisbon Treaty, to the European Union of today, the Anglo-Dutch financial oligarchy has destroyed the sovereignty of the nations of Europe. Nations have increasingly ceded the right for budgetary and investment decisions to the central EU authorities, to the point of making their parliaments virtually meaningless.

The next step in this consolidation of the European-wide dictatorship is what is called the Banking Union, which would take banking decisions out of the hands of national institutions. This Single Supervisory Mechanism, located in the European Central Bank, has been approved by the EU heads of state and government, but numerous details have not been agreed upon.

On the agenda once this is completed, EU officials openly state, is the application of the Cyprus model of "bail-in" to the European banking system as a whole, currently scheduled to come into effect in 2018. "Bail-in," also known as the "bank resolution mechanism," calls for "resolving" the financial shortfalls of troubled banks (which is virtually all of them), by confiscating the accounts of not only shareholders and bondholders, but also depositors. While allegedly limited to "uninsured" deposits over EU100,000, the "bail-in" process, in reality, calls for grabbing everything available—and killing the economy, not to mention any confidence in the banking system as a safe place to keep your money.

EU officials are currently pushing hard to speed up the Banking Union, in order to be able to use the “bail-in” procedures. Luxembourg Central Bank head Yves Mersch, in a speech in Frankfurt, Germany Sept. 26, declared that “We should push for a start date of 2015 for bail-in so that we have the full resolution toolbox available from the outset.” He also attacked the fact that national authorities had been given certain powers to exempt some classes of liabilities from bail-in. He wants everything on the table to be looted, so as to save banks that have run up gambling debts in the trillions—and refuse to invest in the physical economy.

In fact, the debts are so large they could never be paid; but populations can be decimated and nations destroyed.

### **Constitutions Be Damned**

The destruction of the European populations has been dramatic, with the most visible targets being the Southern European nations of Greece, Spain, and Portugal. Diktat after murderous diktat has been imposed by the so-called Troika (the European Central Bank, the IMF, and the European Commission) on these nations, with demands for wage cuts, firings, service cuts, and governments compliant with these demands. The result has been a disastrous increase in suicides, poverty, unemployment, and the death rate.

It hasn’t been an easy ride. As the *Wall Street Journal* complained in an article Sept. 28, constitutional court decisions in Portugal, Spain, and Greece, upholding their constitutions’ protections for workers, have placed obstacles in the Troika’s way. The problem, the *Journal* complains, is that “constitutions written in the aftermath of war and dictatorships underpin social protections across much of Europe.”

The *Journal* is actually just regurgitating J.P. Morgan’s earlier call for fascism in a May 28, 2013 report “The Euro area adjustment: about halfway there,” which pronounced: “The constitutions and political settlements in the southern periphery, put in place in the aftermath of the fall of fascism, have a number of features which appear to be unsuited to further integration in the region.”

The *Journal* article complains that the constitutions are getting in the way of laying off workers at the rate demanded by British Empire genocidalists. For example, Portugal’s Constitutional Court decided Sept. 26 that the government’s attempt to change the labor code to make it easier for companies to lay off workers was

illegal, because the Constitution says a just cause is required. On Sept. 25, retirees marched in Lisbon to protest the government plan to slash public-sector pensions by 10%. Over the last five months, the article chronicles, the Constitutional Court has shot down four separate government measures, including taxing unemployment benefits and reducing wages and pensions.

Former Portuguese Finance Minister Medina Carreira protested that “to fulfill what the [judges] want, we need to leave the euro,” noting that the foot-dragging raises the question about whether Portugal “can regain the trust of bond investors and avoid a second rescue package.” J.P. Morgan economist Alex White concurred: “In several cases local political norms seem incompatible with euro-area membership in the long term.”

An even more turbulent process is underway in Greece, where, over recent weeks, a murder, an assassination attempt, and blatantly illegal political manipulation have been carried out in an attempt to suppress the legal opposition to austerity, and to maintain by unconstitutional means a government that has loyally submitted to the Troika’s demands. *EIR*’s correspondents recently visited Greece, and will report on their findings in the next issue of *EIR*.

Italy is also on the chopping block, with a new government crisis provoked by the pullout from the government of the PDL (the part of former Prime Minister Silvio Berlusconi) faction. The EU is determined to maintain Italy’s “state of necessity” government, which demands more grinding austerity, and thus to avoid elections. The fact is that if there are early elections, the anti-euro, anti-austerity vote might bring about a decisive shift.

### **Restore Nation-States**

There is no hope for Europe, as long as the Empire’s EU dictatorship remains in place, and national institutions have been weakened to near extinction. But, as organizing by the LaRouche movement has shown, there are significant numbers of people in all nations, waiting to seize upon an opportunity to restore their sovereignty, and resume progress. What they require, and are waiting for, is decisive action by the United States, to throw off the yoke of the financial Empire, with Glass-Steagall and its necessary followup.

That will be the clarion call for the decisive shift, where the U.S. and Europe will join with the Pacific nations on the pathway to scientific progress once again.