

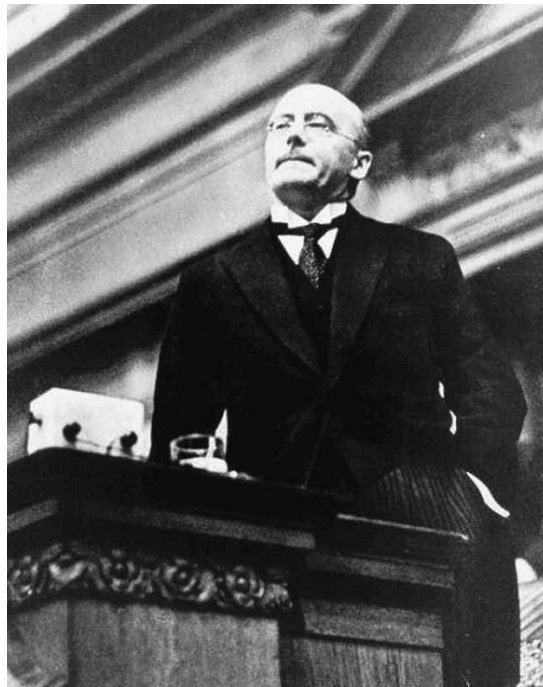
THE WORST IDEA SINCE BRÜNING

EU Deal on Anniversary of Hitler's Seizure of Power

by Helga Zepp-LaRouche

Jan. 27—When dozens of chefs all try different bad recipes to cook a stew, one can only pity the diners, especially if the chefs are stingy! Little good can be expected from the cacophony with which the heads of government and the bosses of the financial institutions are competing to find the right recipe to save the euro. In any event, whoever is in charge of scheduling EU summits seems to have had a black sense of humor when he chose Jan. 30, the anniversary of Hitler's seizure of power, as the deadline for the EU summit to adopt the EU's new Fiscal Compact, including the draconian "debt brake" and automatic sanctions on governments that sin against the allowed budget limits.

Former Italian Economics Minister Giulio Tremonti called the Fiscal Compact an act of war against Italy and a "white fascist coup" by technocratic governments in Europe, the "end phase of the financial system." According to this plan, Italy is supposed to manage for the next 20 years with a budget reduced by EU45-50 bil-



Deutsches Historisches Museum, Berlin

German Chancellor Heinrich Brüning addresses the Reichstag, February 1932. His draconian austerity policies helped pave the way for Hitler's seizure of power.

lion. Already the whole country is in an uproar. Taxi drivers, truck drivers, and many other trades are on strike, supplies of fresh food are scarce, and panic buying has begun.

In fact, the EU's austerity dictates are not only a declaration of war against Italy, but against the whole population of the EU member-states. The combination of Fiscal Compact, debt brake, and sanctions will massively shrink the real economy in the member countries, lower living standards, and lead to social chaos; in short, it is guaranteed to fail, in the tradition of Chancellor Brüning.¹

Since China, Russia, Brazil, and others have shown little interest in investing in the European Financial Stability Facility (EFSF) prior to the anticipated introduction of the preferred European Sta-

1. Heinrich Brüning, one of the last chancellors of Germany's Weimar Republic, imposed draconian austerity measures that provoked popular outrage, and paved the way for Hitler's seizure of power in 1933—ed.

bility Mechanism (ESM) on July 1, which means another five months, there are increasing funding shortfalls, despite the enormous sums already spent on bailout packages. The Fitch rating agency followed the example of Standard & Poor's, downgrading Italy, Spain, and Slovenia by two notches, and Belgium and Cyprus by one, which will continue to drive the process of so-called "deleveraging"—"reverse leveraging" whereby precisely those mechanisms that were used to increase speculation, now reinforce the collapse of the speculation.

Hyperinflation

The European Central Bank responded to the impending crash in December by making available to the European banks for the next three years, EU500 billion of liquidity, which the banks by no means used to invest in the real economy, however, but rather "parked" overnight in the ECB. IMF managing director Christine Lagarde is loudly demanding higher payments from nations, because ultimately, the IMF also does not have the necessary funds.

So all that is left is the ECB, which can always make new special loans available to banks and thus, as the daily *Handelsblatt* correctly pointed out, has long since become a money-printing machine. The decision of the central banks of the United States and Japan, and the ECB, to continue the policy of "mini" interest rates—the Fed wants to stay at almost 0% until 2014—goes in the same hyperinflationary direction.

After the austerity dictates of the Troika (the ECB, IMF, and EU Commission) drove Greece into economic ruin and plunged its population into despair—i.e., the policy failed—now the withdrawal of Greece from the Eurozone has already been "priced in" by the markets. As a precaution, the German government has reactivated the SoFFin II (Special Market Financial Stabilization Funds), the bank rescue funds that had been abandoned in 2010; its credit volume now equals EU480 billion—surely not unconnected with the anticipated withdrawal of Greece from the euro, which was recently identified as a potential detonator for the global financial system.

Greece's withdrawal could quickly generate a shock wave, spreading the contagion to Portugal, Spain, Italy, and perhaps even more countries, and all the European bank bailout packages would no longer be sufficient to deal with such a chain reaction—except by printing more money. And even if the SoFFin II "only" has EU400 billion in the form of government guarantees, it

is the taxpayers who will have to pay in case of a failure, from now up to SoFFin III, IV, V, *ad infinitum*.

Thus we have the worst of all worlds: On the one hand, the real economy is strangled by the austerity "corset" of the Fiscal Compact and debt brake—without the slightest prospect for economic growth or investment in a program to build up nations, all of Europe is thus plunged into a depression; and on the other hand, the banking sector is supplied with virtually unlimited liquidity. Weimar 1923 sends greetings: Hyperinflation for the whole trans-Atlantic region!

The London *Daily Telegraph* had previously gloated in advance that the crisis would only have to get bad enough, and then Chancellor Merkel would give up her opposition to the pooling of debt. Unfortunately, her personality profile goes along with that judgment. The only reason not to demand her immediate resignation is that the Social Democrats and the Greens support these EU policies even more strongly.

Merkel and the Problem of Oligarchism

If the governments in Europe had any backbone for standing up to the banks, they would long since have rejected a policy that goes directly against the interests of the population. So what prompts her to violate her oath of office, and neither defend the well-being of the people nor prevent them from being harmed?

Chancellor Merkel, have you absolutely no sensitivity to the fact that all the values for the sake of which you supposedly are doing all this have long since been destroyed, such as democracy, peace among the peoples of Europe, the general welfare, just to name a few? Do you not realize that it's just asking for trouble if governments are seen by more and more people in the European nations as hostile aggressors?

That must have something to do with the fact that we in Europe, across all party lines—pseudo-democratic appearances to the contrary—in fact, live in an oligarchical system whose basic axioms are accepted *a priori*. The so-called "ordinary people," who watch TV programs of the private broadcasters for their entertainment, are today just as clueless about strategic developments in the world, as were the people who did not know Latin, before the invention of Gutenberg's printing press and the circulation of publications in the vernacular. Indeed, probably the most frequently spoken sentence in Germany is: "You can't do anything anyway," but rather than satisfaction, this should give the ruling elite a shudder, in remembrance of Heinrich



“Belshazzar’s Feast,” painting by Rembrandt, ca. 1635. Today’s European elites need to read the writing on the wall!

Heine’s poem “Belshazzar.” In any case, the writing on the wall can be clearly seen.

This oligarchic system includes, for example, the slavish worship of monetarism, belief in the value of money as such, in contrast to life that has a mental and spiritual dimension that is determined by universal principles of physical science and Classical art. Instead, we have the stupid fixation on gratification of sensual desires in the here and now, the repudiation of the cognitive potential of one’s own personality, and thus the ability of the so-called elite to manipulate the mass of the population.

How else to explain that after the catastrophic famine in the Horn of Africa—which threatened over 20 million people, and where a dangerous delay in providing assistance cost untold lives—news reports are now appearing about more than 10 million more people in the Sahel, in Senegal, Mauritania, Mali, Niger, Burkina Faso, Nigeria, Cameroon, and Chad who are at risk of starvation, and yet nothing has changed in the attitude of Europeans to Africa?

Why is there no mobilization for a Marshall Plan for Africa? Why no demonstrators in the streets demanding that finally roads, railways, waterways, ports, energy

production and distribution, communications—in short, permanent infrastructure—be built, to put an end, once and for all, to this unnecessary suffering of the people of Africa? Could it perhaps have something to do with acceptance of the oligarchical view that the class of helots should be “culled” periodically? Is this perhaps why people have turned green?

One thing is certain: We are at the beginning of a global upheaval such as the world has never yet seen: Either we continue on the present course and plunge into a third world war, waged this time with thermonuclear weapons, or we “only” go into a global depression; in either case, the human race would be reduced to a billion or less. Or we take advantage of the inevitable end of the era that we are now

living in, to build a society truly worthy of mankind.

This means first and foremost that we do not take the Brüning route again, which in the 1930s led Germany and Europe to disaster, but rather follow the example of Franklin D. Roosevelt. He led America out of the Depression with the two-tier banking system, the Glass-Steagall Act, in conjunction with the New Deal and extensive infrastructure programs. Current French Presidential candidates François Hollande and Jacques Cheminade, one of whom is likely to become the next French President, have both made the two-tier banking system part of their electoral platforms. In the next few months, a great deal can change in Europe, and thus also in Germany.

But the most important thing is that Europe must cease to be an oligarchical system. The citizens must decide to say: “We want to rebuild our nations with a credit system, and give our continent of Europe the mission to become a force for good in the world. We will begin to do that by using economic development to liberate Africa from poverty, and nobody will stop us from doing it!”

This article was translated from German.