

Between Nightmare and Graveyard: Europe Is a Ship of Fools

by Helga Zepp-LaRouche

Oct. 28—If the consequences for so many people weren't so severe, one might say that the trans-Atlantic region was a Ship of Fools en route to the fools' paradise of Narragonia, and that the official policies on both sides of the Atlantic are a remake of this moral satire from the late Middle Ages.

For Chancellor Merkel, the NSA's bugging of her cell phone is more than embarrassing, since it throws a spotlight on how "seriously" she takes her oath of office. For President Obama, the backlash against Obamacare is proving itself, as expected, to be a potential nail in the coffin. Even though JPMorgan Chase has to pay "only" about \$6 billion in penalties, after tax deductions, for its fraudulent transactions, CEO Jamie Dimon is still getting off scot-free—so far—and "irrational exuberance" again reigns on the financial markets, as if the crash of 2008 had never happened. One can only conclude that all these things are merely symptoms of a collapsing, decadent system.

Only two months after Merkel's hapless Chief of Staff, Ronald Pofalla, opined that allegations about total surveillance "in the millions" were off the agenda, it turns out that the NSA not only spied on *all* communications in Europe and the U.S.A., but also—outrageously—on the Chancellor's own cell phone. Only now did

Mrs. Merkel wax indignant about this diplomatic slap in the face. It was obviously of no concern to her that the fundamental rights of millions of citizens had been trampled underfoot. And the British daily the *Guardian* put it exactly right: With friends like these, who needs enemies?



Hieronymus Bosch, "The Ship of Fools" (c.1490-1500).

A Collapsing Empire

But the arrogant overreach with which the American intelligence services are exploiting everything technically possible for total surveillance of the world, completely oblivious to civil rights and international norms of civilized behavior, is in no way a sign of strength on their part. Indeed, the U.S. just avoided state bankruptcy—for maybe a couple of weeks.

Internationally, the Empire of Globalization shows itself to be a long-since overextended power structure, whose dubious alliances, especially in Southwest Asia, are multiplying the number of its enemies, day by day. Domestically, rage and frustration are growing within the American population against Obama, now generally considered a fraud, who continued everything for which George W. Bush was already hated—only more so.

After Obama himself stepped twice before the cameras and called for cutbacks in Social Security, Medicare, and Medicaid,

and Obamacare is doing the opposite of what the easily fooled consumers of the German media still believe—namely throwing many millions of people out of their previous health insurance, and either cutting back or even withdrawing insurance from whole categories of the old and sick—the mood in favor of impeaching Obama is growing. And some forces in the institutions of power in Washington also see an intolerable threat in Obama’s openness to a policy at the edge of the abyss, such as his recent threats of a military strike against Syria, and his policy against Russia and China.

The fact that all of Americans’ communications are also being monitored and spied on, has led to a quite new protest movement and growing sympathy with NSA whistleblower Edward Snowden.

The fact that JPMorgan Chase is supposed to pay approximately \$13 billion, but after a tax deduction only about \$6.1 billion in penalties, and that the guilty ones will not be criminally prosecuted, but have already “factored in” this money into their business plan, enrages people even more. And that the very same CEOs of the “Too Big To Fail” (TBTF) banks on Wall Street dictated to Obama what policy he must follow to block reinstatement of the Glass-Steagall system, and at the same time demand cut-backs in the social welfare and health areas, is not being accepted in the U.S. as submissively as the EU is accepted in Germany. In the United States, a revolutionary mix of desperation, rage, and patriotism is developing, which has been totally ignored in Europe for a long time.

Europe in Denial

In Germany, people’s rage and disgust have been suppressed and turned inward, therefore manifesting themselves as depression and a feeling of powerlessness: “There’s nothing one can do about it anyway.” But the foundations of society, the trust of the population in the government or in other leading institutions, is eroding here also.

The casino economy is booming as if 2008 had never even happened, and the DAX stock exchange reached a record of over 9,000 points; speculation with exotic financial products is even more lavish than it was then. But in the most stark contrast to the fantasies about recovery in the Eurozone or the U.S., in fact, the

Deluded speculators drink a toast to the soaring of the DAX, Germany's blue chip stock index, on Oct. 25.

global financial system could evaporate in an instant, exactly as the Eurocrisis could come back in full force.

That the feet of the Colossus are made of clay, is nowhere more obvious than in the secret letter from European Central Bank head Mario Draghi to EU Commissioner Joaquín Almunia at the end of July, which has recently been made public. In it he urgently advises that the plans for the so-called bail-in, the Cyprus model for all of Europe, be kept under wraps until the European banking union is completed, because otherwise there might be a run on the banks.

Are the European and U.S. governments incapable of learning anything? Nothing essential has changed since 2008. Then there was a brief moment of shock, that the meltdown of the financial system was imminent. Even then-French President Nicolas Sarkozy spoke about the necessity for a New Bretton Woods system. But the Wall Street banks immediately dictated what was in their interest: a rescue package like the previous ones, at the expense of the taxpayers, consequently growing government debt; “quantitative easing,” the so-called endless money printing, which is now noticeable in rising inflation in rents, energy, food, and gasoline, and soon threatens to turn into hyperinflation. The Cyprus model—i.e., the expropriation of depositors—has already been prepared, with the above-

mentioned constraint that discussion about it not be permitted, since this could unleash a run on the banks.

The bail-in guidelines of the EU Commission were written by the International Swaps and Derivatives Association (ISDA), thus by the TBTF banks themselves. The Obamacare legislation also originated in the offices of Wall Street. The government has degenerated into stooges for the bankers, the speculators are profiting, and the population is supposed to pay the costs with radical cuts in their living standard and life expectancy.

Recently in France, three books appeared that discuss a “Plan B” for withdrawal from the euro. Interestingly, these were not written by Euro-critics, but by authors from the center of the French establishment. Robert Salais’s *Le viol de l’Europe* (The Rape of Europe), Steve Ohana’s *Désobéir pour sauver l’Europe* (Disobey To Save Europe), and François Heisbourg’s *Le fin du rêve Européen* (The End of the European Dream), all document the total failure of the euro experiment, and the existential necessity of France’s withdrawal from the euro system. The French establishment is publicly working full blast on a Plan B.

Professor Heisbourg draws the parallel to war—European leaders face the same choice that a general does,

who has been overwhelmed in battle: to continue fighting until one is obliterated, or to break out of encirclement and at least save the bulk of the army for later, giving up the battle for lost, but not the war? Heisbourg’s solution is a German-French withdrawal from the euro as a *fait accompli*; he nevertheless only talks about the possible modalities of withdrawal, and sticks with monetarist axioms. And here we see the malaise, from which the whole trans-Atlantic Ship of Fools suffers: The entire discussion proceeds only on the monetarist level.

There Is a Way Out

In total contrast to that, the Eurasian nations, above all Russia, China, India, Japan, and South Korea, are strengthening their diplomatic relations, with a clear focus on the construction of physical projects in the real economy: joint efforts for the construction of the New Silk Road, a variety of infrastructure projects throughout Asia, and acceleration of development of third- and fourth-generation nuclear fission, as well as the development of nuclear fusion. This was obvious in the recent state visits of Indian Prime Minister Manmohan Singh to Moscow, and the visit of Russian Prime Minister Dmitri Medvedev and the Academician Evgeny Velikov to China.

The difference is obvious. The Eurasian countries are in the process of creating the physical foundation for future generations, while the trans-Atlantic region, under the diktat of the banks, is sending all its dreams to the graveyard.

There is a way out: banking separation in the exact tradition of President Franklin Roosevelt’s Glass-Steagall law, which must end the casino economy once and for all. Then the European states, having returned to sovereignty, must enter into long-range cooperation agreements with the Asian states for the construction of the Eurasian Land-Bridge and the World Land-Bridge. At the same time, Europe must cooperate with an America that has returned to its Constitutional principles, in a crash program for the development of nuclear fusion and world development.

Since the fall of the Berlin Wall in 1989, that has been the program of the BüSo [Civil Rights Solidarity Movement in Germany] and the Schiller Institute, and it has taken a while for these ideas to gain acceptance in Asia. But now their time has come. The question remains, whether the U.S. and the European nations will decide on the graveyard, or on a hopeful future.

Translated from German by Nancy Spannaus.

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February 2012