Ritual Sacrifice Spreads From Greece to Spain

by Dennis Small

March 5—Arguably the most significant development at the March 1 European Union summit in Brussels, was the the decision that Spain's 46 million population would be marched to their ritual sacrifice on the altar of Monetarism, the pagan god of the British monarchy. The nation of Greece, with its 11 million people, has already been murdered at that altar over the last year, as a marker of the general disintegration of the trans-Atlantic system.

"This thing has gone, remorselessly, since the Fall of 2007, and especially since the Autumn of 2008, this process of a general breakdown of the entire trans-Atlantic system, the financial-economic breakdown has been proceeding," Lyndon LaRouche commented on March 3. "And anyone who didn't say so, was obviously incompetent."

Promptly after signing on to the brutal European fiscal deficit treaty finalized at the March 1 summit, Spanish Prime Minister Mariano Rajoy called a press conference in Brussels to announce that his government's deficit target for 2012 would be 5.8% of Gross Domesic Product, and not the more stringent 4.4% demanded by the European Commission. Just over two months into his term, Rajoy found himself pleading for flexibility and clemency from the very EU dictatorship he had helped to enthrone.

Predictably, the Empire's hit-men turned their thumbs down. "Spain must respect the targets it has been given," Eurogroup President Jean-Claude Juncker snarled. "Spain will have to do everything to prove that it remains firmly" committed to its budget-consolidation drive, he decreed. European Council President Herman Van Rompuy threatened that "the markets" will punish Spain for not meeting demanded budget objectives, and that will drive up the cost of the bankrupt nation's debt even further.

Notwithstanding Rajoy's subsequent theatrics about how Spain would not abide by the EU deficit target, because this was a "sovereign decision" by Spain, it is about as sovereign as the man with a gun pointed at his head, who defiantly proclaims he will only plunge his own dagger *two* inches into his mother's chest, instead of the *three* the assailant demands. The austerity policy being imposed by the EU enforcers on London's behalf, at either the 4.4% target or the 5.8% one, simply cannot be sustained, and either way means the death of the nation.

Spain will now follow Greece into the concentration camps—although in both countries there are also explosions of popular outrage against the policies, especially among youth.

Economic Murder

Spain's current budget deficit is estimated at 8.5% of GDP, and the Rajoy government is saying it will knock almost $36 billion off the deficit this year, by cutting spending and raising taxes. The federal government will cut its deficit by 20%, while the autonomous provinces, which are responsible for one third of all government spending in Spain—including the lion's share of essential social services, such as health and education—are being told they have to cut their budget deficits by fully *one-half*. Some 5,000 city, provincial, and federal agencies and companies, including those that provide basic services such as water and urban transport, are said to be on the government's list for fire-sale privatization.

Imposing such radical austerity upon a country which already admits to 23.3% official unemployment, higher than that of devastated Greece, and increasing at an accelerating rate, has triggered the kind of self-feeding economic implosion underway for the last year in Greece. This is vintage IMF economic strangulation of victim nations. The more government spending is slashed and workers laid off, the more the economy collapses, and the more tax revenues decline—thus *increasing* the very budget deficit the EU, the IMF, and the bankers claim to be intent on reducing.

Well-meaning but naive observers often decry this as a terrible mistake, a "failure" of IMF policies. What they fail to recognize is that such physical economic devolution is the *intended* effect of British monetarist policy, where the debt renegotiation packages are just the window dressing for the intended genocide. Greece, and now Spain, are IMF *successes.*

In Spain, nearly 300,000 people have lost their jobs since Rajoy took office only last Dec. 21, and Cabinet ministers projected on March 2 that under their plans, another 630,000 people will be thrown out of work by the end of 2012, bringing the national total to over 6 million unemployed, in a nation of 46 million. Among youth, unemployment now surpasses 50%. Moreover, as in the United States, official unemployment statistics do not include those who are only able to find part-time work, nor those who have given up looking for work altogether.

In fact, all of Europe is plunging into the same abyss as Spain and Greece. Official unemployment in the 17-nation Eurozone hit an all-time high of 10.7% in January, according to Eurostat, the EU statistics agency. Greece's official unemployment rate was 19.9%; in Ireland 14.4%; and in France, "only" 9.4%.

Bailing Out the Banks

One of the most publicized aspects of the March 1 EU summit was its formal approval of the "Greek bailout package" agreed to by Eurozone finance ministers on Feb. 21. Under the terms of the accord, EU nations are to disburse EU130 billion to Greece—which the unelected, banker-imposed government of that country will promptly use to pay off their creditor banks, in exchange for Greece's private bondholders accepting a 53.5% "haircut" on the face value of their bonds, and Greece signing on to fascist austerity measures which mean the death of the nation:

- 150,000 civil servants will be fired;
- The monthly minimum wage will be slashed by 22%;
- Public sector workers will have wage cuts imposed *retroactively*, meaning 64,000 teachers and others worked without salary in February;
- Permanent foreign monitors will be put in place in all the ministries in Athens, and will oversee an escrow account that will always have three months' worth of debt payments in it;
- The Greek Constitution is to be amended to place external debt payments explicitly before public welfare. This is pure and brutal imperialism.

The private bondholder "haircut" aspect of the deal is particularly ludicrous.

On March 2, Moody's rating agency joined Fitch and Standard & Poor's in downgrading Greece to its lowest level, because it expects the much ballyhooed haircut negotiations to end in a default this coming week. March 8 is the deadline for Greece to announce what percentage of its bondholders have "voluntarily" agreed to the terms of their haircut. If it doesn't reach 95%, which it almost certainly will not, then Greece will invoke the Collective Action Clause (CAC) of the deal, which imposes the haircut on everyone. That in turn will force the International Swaps and Derivatives Association (ISDA) to declare the whole proceeding to be a "credit event'—i.e., a default—and thus activate untold billions in credit default swaps, in Greece and possibly across all of Europe.

With the entire trans-Atlantic system imploding, the British Empire's financiers are doing the only thing they know how to do: hyperinflate like there's no tomorrow . . . which there won't be, under their policy.

On Feb. 28, the European Central Bank opened the floodgates to offer banks unlimited three-year loans at 1% interest, to try to keep their dead system afloat. The banks promptly borrowed EU529.5 billion of the virtually free money, more than the EU489 billion scooped up in the first round of the so-called Longer Term Refinancing Operation (LTRO) in December 2011.

The investment bankers were ecstatic—but that won't last long.