

# The Failed State of Continental Europe

by Lyndon H. LaRouche, Jr.

June 22, 2004

Excepting the deliciously painful message which Britain's voters sent to U.S. Vice-President Dick Cheney's liberally imperialistic accomplice, British Prime Minister Tony Blair, the most recent round of elections in Europe had been a collection of travesties on the way to becoming a continental tragedy. The name of that ill-fated political minestrone now being cooked on the continent, is the enlarged, would-be imperial European Union. The not-so-many Europeans who turned out for those elections, have apparently decided to protect their sovereignty from U.S. arrogance, by the curiously clever method of destroying their own nations' sovereignty, as a way of preventing President George Bush from stealing it.

I did not exaggerate the case in the slightest degree when I warned, this past weekend, that, under a continuation of its present policy-drift, western and central Europe may be on the way toward becoming a basket-full of what British agent Robert Cooper has defined as "failed states." The evidence supporting such a conclusion, is as massive as it is appalling.

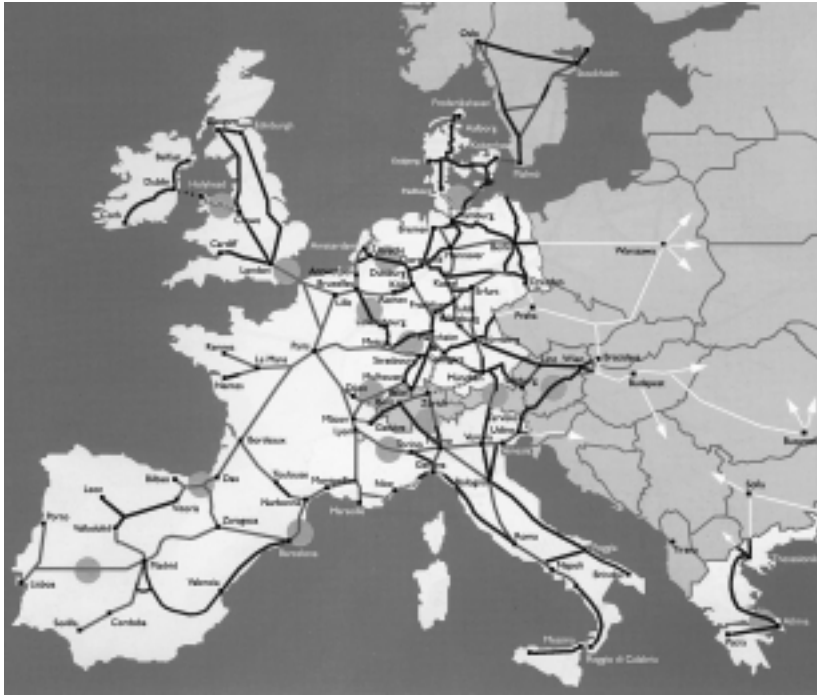
The cutting edge of this new menace to civilization is a virulent European anti-Americanism which has been stoked into the fervor of a lunatic obsession among increasing portions of the relevant European policy-influencing strata. The idea among European Liberal Imperialists (e.g., "Euro-Socialists") of that inclination is to hope for the collapse of the U.S.A., establishing their own hodge-podge of failed national sovereignties as an imperial power, intending to reap the harvest of destroying the sovereignties and looting the territories and people of what had once been the Eurasian territory of the Soviet Union.

In fact, however, this new turn in the politics of continental Europe, was crafted and deployed from Britain, chiefly by such agents of the the Liberal Imperialist government of Prime Minister Tony Blair, as Robert Cooper. Cooper is an intimate of the same Blair circles as the notorious Dick Cheney crony, Baroness Liz Symons, and also her husband, also recently of 10 Downing Street notoriety, Phil Barret.

These British circles, who have promoted this suicidal, post-modernist plan for the European Union, have, of course, planned, as usual, to keep Britain safely out

---

## 1994: European Union Projects



*Unimplemented: the 1994 European Union outline of new transport corridors joining western and eastern Europe. The EU should have prepared for its current expansion by constructing new roads, highways, and railroads, but that did not happen at all. Now, LaRouche warns, a European faction with anti-American empire pretensions, is “already moving toward looting the populations of both the smaller nations of eastern Europe and the full extent of Russia and Kazakstan, all the way east to the Pacific Ocean.”*

of the target-area of doom which such a policy would assuredly mean for continental western and central Europe. The British motive for inducing continental Europe to ruin itself, is simply a new continuation of London’s foreign policy since that Paris Treaty of 1763 which established a private firm—the British East India Company—as the world’s leading imperial power of that time; the policy of a King Edward VII who put his nephews, Germany’s Kaiser and Russia’s Czar, at one another’s throats for the war which ensued in 1914.

The threatened continental tragedy is a convergence of a potentially hopeless general economic collapse, with the risk of generalized warfare inherent in the liberal imperialist lurching of the intended imperial Europe Union against Russia and other points east. Russian President Putin’s recent, ominous, if muted warnings, were not unprovoked.

The essential elements of these breaking developments in Europe now, are presented in the following elements of this *EIR* Feature. In this introduction, I limit myself to merely identifying the two most crucial points presented and developed in the subsequent portions.

---

### 1. The European Union As a War-Risker

---

The source of the danger of new general warfare is not, as some programmed ideologues insist, rivalries among sovereign nation-states. Since Greece’s Persian wars, since Ath-

ens’ folly in launching the Peloponnesian War, since the Roman Empire whose existence was based on perpetual warfare, and since the medieval system of imperial *ultramontanism* conducted by the alliance of Venice with the Norman chivalry, the chief cause of all warfare has been those empires devoted to enabling the few to degrade the many to the condition of hunted or herded human cattle. The chief cause of modern warfare, since the closing decades of the Europe’s Fifteenth Century, has been the imperial intentions of such as the Venetian financier oligarchy’s chosen instruments, first the Habsburgs, and later the Anglo-Dutch Liberals’ British East India Company’s empire, founded at the Paris Treaty of 1763.

Ever since Britain’s establishment of its de facto empire, by the 1763 Treaty of Paris, the chief strategic concern of the imperial British monarchy, has been to eliminate the tradition of the American Revolution of 1766-1789, and to play the nations and peoples of the European continent against one another in ways such as wars, to ruin them, and prevent them from becoming an effective force of resistance to the imperial rule of the Anglo-Dutch Liberal system of financier-oligarchical interest.

It is chiefly for this reason, that the rise of global monetary-financial crises, such as the present one, coincides with new eruptions of the relatively most terrible wars. Therefore, unless we change the world’s monetary-financial system, now, back to the model set by U.S. President Franklin Roosevelt’s version of a Bretton Woods system, we are trapped in an era of conflict which might even plunge all civilization

on this planet into a global new dark age, whether present governments intend that result, or not. That was the way World War II happened; that is key to understanding the global threat to civilization expressed by current trends toward a post-nation-state form of political minestrone, the expanded European Union. Economy is not the cause of warfare; but rather, a failed economy, such as the 1971-2004 floating-exchange-rate system, creates the conditions of conflict under which the worst wars have been launched.

Therefore, we see on the horizon, the palpable signs of danger of even a nuclear war engaging western Europe and Russia, a war prompted by interests behind the European Union, which are already moving toward looting the populations of both the smaller nations of eastern Europe and the full extent of Russia and Kazakhstan, all the way east to the Pacific Ocean. Russian culture does not permit submission to the extinction of Russian culture, by such means as that. Meanwhile, an already bankrupt western Europe's desperate need for some place to loot on a sufficient scale to keep western Europe from virtual collapse, impels today's followers of the ideology of Nazi financial czar Hjalmar Schacht, to look toward Russia as the Nazi empire did.

---

## 2. The Post-Nationalist European Union As a Case of Economic Lunacy

---

The ability to sustain a world population of as much as one billion living persons, depends upon two revolutions in statecraft made since Europe's Fourteenth-Century plunge into a New Dark Age. The first, was the founding of the modern sovereign form of nation-state by the Fifteenth-Century, Florence-centered Renaissance. The second, was the close of a Venice-orchestrated wave of religious and related warfare led by the Hapsburg empires, a peace finally secured by the 1648 Treaty of Westphalia. All major wars since the Treaty of Westphalia have erupted as a product of the British Empire's determination not to allow the continued existence of any plausible threat to Britain's imperial power from the continent of Europe. This is what Blair agent Robert Cooper's role is, in pushing the suicidal policies being spread as an imperial doctrine for an expanded European Union today.

The rise of European civilization, from an also-ran to a great power, beginning the Fifteenth Century, was the Renaissance's repudiation of the imperial tradition under which some people used many people as either hunted or herded human cattle. Under the influence of such leading geniuses of that Renaissance as Cardinal Nicholas of Cusa of *Concordantia Catholica* and *De Docta Ignorantia* fame, a doctrine of natural law of statecraft emerged, admittedly over strong imperialist objections from Venice's financier oligarchy and

the Habsburg dynasty. This body of natural law required that governments rule nations in the interest of protecting the continuing improvement of the general welfare of all of the people and their posterity.

The seeds of the modern nation-state economy, as planted in Louis XI's France and Henry VII's England, developed systems intended to promote useful inventions, and investments in new, improved forms of physical capital investments. This was done despite the evil Inquisition and the religious and kindred coups d'état and wars of 1511-1648, which Venice's financier oligarchy arranged through, chiefly, the instrumentalities of the Hapsburg houses of Spain and Austria during that period. In the history of modern economy since, there have been only two general methods by which nations and their populations have been enriched: looting other nations and people, as by the Anglo-Dutch Liberal system of imperialism; or by protectionist measures in the American tradition, which include the maintenance of the fair prices needed to sustain fair income levels of family households, and secure long-term investments in capitalized improvements in scale and quality of production of wealth.

The wisdom of this American arrangement was reaffirmed by U.S. President Franklin Roosevelt's role in the design of the post-World War II Bretton Woods system. This was a system of fixed-exchange rates and fair-trade provisions, which was designed to promote the reconstruction of the world's economy in the aftermath of that war. Until changes introduced after the assassination of U.S. President John F. Kennedy, especially the 1971-72 wrecking of the world monetary system by the U.S. Nixon Administration's George Shultz et al., the leading industrialized nations of the world enjoyed a general trend of improvements in the standard of living of their people, and a substantial accumulation of useful physical capital improvements.

The beneficial Bretton Woods system, as opposed to John Maynard Keynes' imperialistic, monetarist alternative, was a reflection of President Franklin Roosevelt's informed commitment to the legacy of that American System of political-economy which had been defended by the President's ancestor and Alexander Hamilton ally, New York banker Isaac Roosevelt. The common enemy of both Hamilton and Isaac Roosevelt had been Aaron Burr, the traitor who had founded the Bank of Manhattan in the British interest, who was an agent of the British Foreign Office's Jeremy Bentham.

### Economic Recovery Through Modern Nation-States

The ruined state of the economies of the Americas and of Europe today, is chiefly an outgrowth of those changes in the policies of the U.S.A., the U.K., and their continental Europe imitators over the initial period of 1964-1972, from the turn toward a "post-industrial" culture and the willful wrecking of the Bretton Woods system. Thus, the Americas and Europe

have now reached the point—after a forty-year-long turn away from the policies on which the post-war economic recovery had depended, to a state of currently rampaging global hyperinflation in financial derivatives and other intrinsically worthless instruments—at which an imminent general economic breakdown of the world's present monetary-financial system is inevitable. Only ignorant people, or mentally deranged political-party leaderships of the Americas and Europe, could still doubt that now.

The nature of the reforms required for a recovery from this general breakdown crisis, is well defined by excellent historical precedents, such as those led by President Franklin Roosevelt, the precedents which defined the progress of 1933-1963. The source of the presently greatest danger to civilization is not the monetary-financial crisis itself. We can put failed systems into government-directed reorganization in bankruptcy. The danger is that we will fail to take such remedial actions in a timely fashion, or that we might launch the berzerker form of economic-cultural lunacy rampaging throughout continental western and central Europe today: methods best calculated to remove the disease by killing the patients.

All of those remedies for this crisis which are both possible and tolerable, depend upon using the intrinsically lawful powers of the modern form of sovereign nation-state for protectionist measures.

Specifically, there will be no improvement in the physical conditions of life among people in western and central Europe today, without a massive influx of new, state-created capitalized credit, to bring employment, and scale of wages, up to levels at which national and regional incomes more or less match current-account costs and expenses. The initial bulk of this increased employment must be expressed as long-term improvements in basic economic infrastructure. The stabilization of the national economies through such publicly-funded public employment, creates the general economic climate for fostering, chiefly, a recovery and expansion of the small and medium-sized, closely-held forms of technological-progress-oriented agriculture and industry. This latter requires an assured supply of lendable credit through government programs operating through the national and private banking facilities.

This requires prime interest rates for long-term investment in these combined public and private growth programs, at between 1-2% simple-interest rates per annum. It is also required that anti-inflationary measures must be established and maintained which ensure that long-term capital investments so generated will be fungible at pre-set, low interest-rates, during both the half-life and full-life of projected maturities.

Without the institution of sovereign nation-states which function under the natural law principle of the general welfare, such capital formation, such economic recovery from the present world depression, were not possible.

## The Trojan Horse of a 'Free Trade' Empire

If a so-called "free market" principle is prevalent throughout the territory designated to be part of, or colonial subjects of, the expanded, virtually stateless European Union, the price of goods and incomes will fall toward "fourth world" levels throughout those regions, while the coming generations of people in those regions will become virtually imbeciles, relative to the levels prevalent in the same regions today. Pensions, health-care insurance, and so on, will be terms dropped from vocabularies in use. Most people will be homeless migratory masses, with the actually used polyglot vocabularies in practice falling to levels of between fifty and seventy-five words, and phrases such as "Me want." Hence, all of the affected territory, which might therefore be described by future political-economists and historians as "the blob," will be truly an utterly failed state of mankind.

The nearest approximation of a European historical precedent for what I have described, would be Europe's Fourteenth-Century New Dark Age. A second case is the relative dark age of the interval of Hapsburg-led religious and kindred warfare of the 1511-1648 interval. However, we, in the U.S.A., and in Europe, do have a choice. We could avoid the worst of the horrors now descending, if we came to our senses, and applied the lesson of the recovery of the U.S. economy under Franklin Roosevelt's leadership.

The principle which we must recognize as at work in the global tragedy building up at an accelerating rate today, is a principle which we should have learned from study of mankind's earlier great tragedies.

Most tragedy occurs as a result of people's reacting to a challenge according to principles to which they had become habituated, as virtually "self-evident" axioms, such as the lunatic "axiom" which assumes that the "free trade" doctrine which has ruined our economy, increasingly, over the post-Kennedy decades, is actually "good for you."

Most people, including most heads of state today, live mentally within the confines an acutely neurotic, or worse, "fish-bowl" mentality. They are ruled by certain assumed traditions, of which they may or may not be conscious, which divide the world they experience, between those actions they are allowed to take within the bounds of those axioms, and those physically feasible alternative actions which their, or our own assumed beliefs will not permit us to employ.

All Classical tragedy, all collapse of once-mighty nations, are the fruit of the folly of swimming in a mental fish-bowl of folly, from which no force other than habituated belief will prevent the victim from escaping to safety.

The idea of an expanded European Union as widely proposed by Britain's agent Robert Cooper and others today, is a such a fish-bowl, one which London has delivered to Europe, as the Greeks gave the Trojan Horse to Troy. The Trojans swallowed the bait, and, so, apparently, have all too many leading continental Europeans.