

European Crisis Refutes Austerity Scam

By **Alexander Baron** - Nov 24, 2015



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As Britain's Conservative Government continues to implement spending cuts to benefits, to local authorities and other services, the Prime Minister has announced **an extra £12 billion** in military spending. Other European nations have likewise been cutting public services to the bone, yet money has been found for processing and resettling a massive influx of migrants from Syria and elsewhere, while spending on other forms of security is likewise being ramped up, indeed, after the recent horror in Paris, European leaders have no alternative. How can this be so? How can all this money be conjured up out of thin air at a time of austerity?

Conjured up out of thin air is the right phrase. As Professor Quigley explained in his classic *Tragedy & Hope...* "Wars...are not fought with gold or even with money, but by the proper organization of real resources..."

There are in fact **three exceptions** to the claim that the coffers of the treasury are empty, and they apply to every sovereign nation. The first is war, that is the big exception; the second is civil disobedience, which includes riots and things like that; the third is when there is a genuine humanitarian emergency be it an earthquake, a hurricane...or as we have seen recently, the aforementioned migrant crisis.

The term sovereign nation is important, for although unlike say Greece, Britain has its own currency, it is a slave to the European Central Bank because under the *Treaty of Maastricht* it is **not permitted to print money** in order to finance public works, deficit spending, etc. Be that as it may, if resources can be found for migrants, and if they can be found for war, which now seems inevitable, they can be found for the poor, for pensioners, for the **NHS**, for infrastructure, and more generally to end austerity permanently. This applies to the UK, to Greece, to the US, to everywhere. The limits to wealth creation are technology, capital goods and resources like minerals that can be processed to serve human needs. In February 1927, a half hour trans-Atlantic phone call **cost £150**. Today we communicate for hours virtually free. When tinned food was first produced two hundred years ago, a good craftsman could seal perhaps six cans an hour; now, one company (Heinz) produces a million and a half cans of baked beans in the UK every single day.

The above two examples could be expanded almost indefinitely, but the bottom line is anything that is technologically or logistically possible and desirable can be done, but only currently with the three exceptions noted above – war, civil disorder, and humanitarian crisis. What we need is to free the financial system from the shackles of the banksters – the European Central Bank, the Federal Reserve, etc – so that this is always the case. Austerity is a sham, it must be exposed as such and ditched, before it destroys what is left of Europe and indeed the rest of the world.