

## **Austerity and Ensuing Economic Contractionism have Proven Disastrous**

by jude Tuesday, Jul 7 2015, 2:35am

international / prose / post

An Australian Greens parliamentarian put it succinctly, "*you can't cut your way to prosperity,*" and unfortunately small European nations have become living examples of her accurate statement.

Consider how America emerged from its depression, huge government SPENDING and investment, or how Germany and Japan became leading economic nations by having their paralysing debt alleviated by creditor nations after the Second World War. These tactics alone have proven totally successful yet Germany remains intransigent to realistic proposals by the Greek government to emerge from its IMPOSED economic crisis. The point is, Europe knows better so we must ask why is austerity so enthusiastically imposed by nations that have positive experience of its opposite?

Of course the question leads us straight to banking cartels and elite corporatists that have engineered 'globalisation' and 'free trade' deals to plunder the entire world and economically enslave millions of citizens. So we must ask who benefits from 'globalisation' and 'free trade' deals and the answer is immediate, those responsible for their design, not sovereign nations or the people.

A glance is enough to learn that globalisation is simply a means to break down trade restrictions and allow mega-corporations, and the mega-banks that support them, almost free rein to exploit cheaper labour and plunder/exploit both producing and consumer nations whose populations did not share in a globalised international wage structure. The FACT that globalisation serves only elite interests and not the people says it all and I need not labour the point except to state that it wasn't enough for large banks and multi-national corporations to rape, pillage, plunder and pollute, they also created international havens whereby they could shirk their tax responsibilities to nations thereby depleting local government revenues, which resulted in compliant (owned) governments imposing AUSTERITY policies on vulnerable populations to fill the revenue void and service national debt to mega-bankers.

Recent 'free trade' deals (again, secretly designed by the elite few) are simply the next phase in corporate-banker dominance as they usurp the authority of national governments to impose regulations on such things as pollution, worker conditions/wages and other 'impediments' to profit/plunder and extreme corporate exploitation - the notion of a corporate instituted court that would usurp the power of national courts is the most heinous example of the banker-corporate push for global domination. Again, 'blue tie' wearing corporate-owned and installed lackey politicians are dutifully paving the way to global slavery for the masses, notwithstanding extant laws that are very clear regarding treason.

The failure of globalisation to include workers was no accident, how else could the few exploit the many if not by one-sided advantage? And so it is with austerity policies which were designed to economically contain/manage national populations with debt-slavery.

However, it seems that debt-burdened populations have been pushed too far and the tiny nation of Greece has by democratic referendum emphatically rejected elite banker and corporate policies, which have done nothing but destroy the living standards and prosperity of the nation - we have the absurd situation in Australia, one of the richest per capita nations on earth, where a 'blue tie-

wearing ' plutocrat-serving, PM is hell-bent on imposing austerity policies on the people, which never see a cent of the combined \$trillions that mega-corporations plunder from the national wealth.

However, the brave people of Greece would seem to be the international catalyst for real change, as the elites have no fair solutions to offer, though they could easily share SUBSTANTIAL amounts of their stolen wealth. So it would seem that real change and a return to fairness now threatens to sweep the world.

And not to forget the cause of that revolt, the manic, uncompromising, pathological desire to accrue evermore wealth/power by the few.

An excerpt from an article published on Consortium News follows:

### **Greek 'No' Vote Spurs A Growing Resistance**

by Andrés Cala

The troika's hardball strategy with Greece may have emboldened other struggling European countries to follow the Greek example. Spain and Portugal are up next with Italy and France to eventually follow along with Ireland and Eastern European countries. Russia and China may get into the game, too, by offering more favorable economic terms and cooperating on major infrastructure projects.

But there is little sign that Germany, as Europe's principal creditor nation, will accept write-downs that would cost its own taxpayers money. Though Tsipras is presenting a new offer to the 19-member euro-zone leaders on Tuesday, Germany has already refused to restructure the debt or support a new rescue.

As for Greece, in the near term at least, the economic situation is bound to worsen. Greek banks, which imposed capital controls after the ECB last week cut their emergency funding, will run out of cash within days without a new deal. While a compromise is still possible, a painful "Grexit" - or Greek exit from the use of the euro currency - could be just days away if Greece's European partners choose to ignore the democratic will of the Greek voters.

Without emergency ECB support, Greece will have no choice but to fall back on another currency, the previous drachma presumably. "Grexit" will then be complete. The currency will be devalued and the economy will suffer for years, but at least under its own terms.

"There is now a strong argument that Greek exit from the euro is the best of bad options," wrote Krugman. "If they can't make a go of Europe's common currency, it's because that common currency offers no respite for countries in trouble."

Varufakis, who resigned as Finance Minister on Monday to remove himself as an irritation to the EU technocrats and thus improve chances for a compromise, said there is no choice but to broker a deal, adding: "There is too much at stake, for Greece and Europe, that's why I'm certain." Many in Europe agree, including French and Italian leaders, but without Germany there is little that can be done.

Meanwhile, the political fallout in Europe is just beginning. The Syriza-like party in Spain has become a serious contender, tied in third place with the two other traditional

parties. No formal anti-establishment party has risen in Portugal, but the Socialist opposition, which is almost sure to win the upcoming election, promises to stand against austerity.

And it will not stop there. If Germany and its northern European allies don't offer a respite, the anti-austerity political contagion will spread across the Continent because a new generation is slowly taking over and it wants a brighter future than the drab predictability of never-ending sacrifice. Old technocrats will eventually be replaced.

Greeks have defied the attempts to repress their democratic will. Welcome to the new Europe, for better or worse.

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