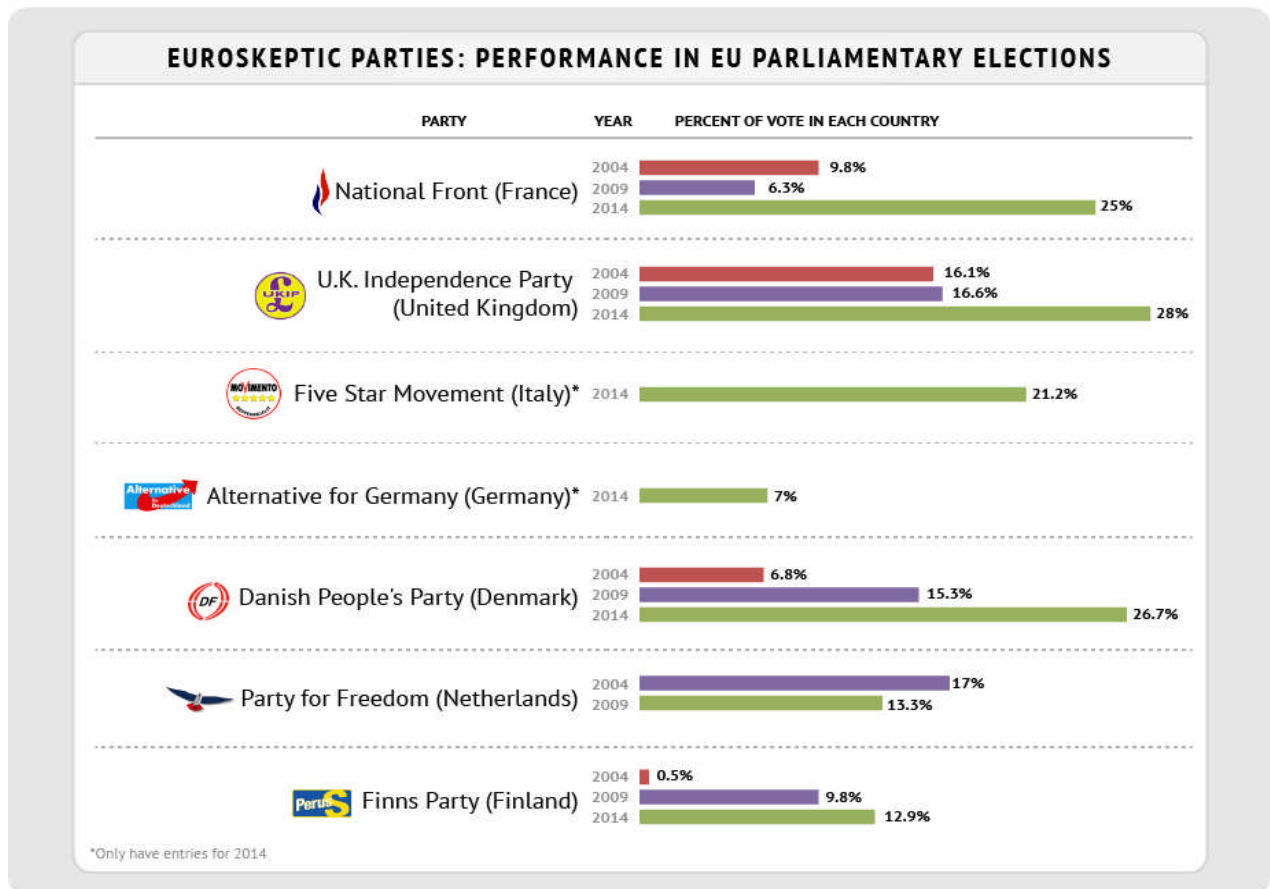




## EUROPE -- Everything Old is New Again...Sort Of

*"To be clear on the whole matter, we must realize that, fundamentally, there can be only two views as to the purpose of money. There may be a thousand intermediate shades of opinion, but, eventually, one is forced back into the position of having to decide whether money exists for man, or man for money; whether money is merely a symbol of real wealth enabling commodities and services to be exchanged, or whether it is the determinant of all industry by the criterion of which production and distribution must be regulated..."*

-- William Joyce ("Lord Haw-Haw") from his book *Twilight Over England*



Source: Provisional results provided by the EU Parliament.

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For many centuries, wars and intrigue were a fact of life in Europe. Whether between monarchs or, in the more recent past, ostensibly democratic governments, history sadly shows how easy it is for people with essentially the same culture, religious faith, etc. to destroy one another. Those on the field of battle, behind the hedgerows, in the trenches and in the tanks seldom understand what the bleeding and dying is about. Where those who sent them to die are concerned, that's another matter.

After two major wars within a scant three decades had reduced most of Europe to rubble once more and caused the loss of millions of lives, the idea gained traction after World War II that Europe one day should be a cohesive, united body. It was not easy getting to a place where such a thing was even possible; thanks to the idiocy of, largely, American leaders at the time, Europe was torn asunder and itself Balkanized by the U.S. and the Soviet Union. It was not until the old Soviet Union itself disintegrated that Germany itself could be reunified, and used as the cornerstone of the long-dreamed of *federal Europe*.

Indeed, former German Chancellor Helmut Kohl--the key political mentor of current Chancellor Angela Merkel--pledged his support to bring about a greater political *and economic* European Union as a condition for Germany's reunification. As some of you remember, it was not an easy "sale" to make to much of Europe. Several countries--including the "anchor" nation states of France and the Netherlands--first voted against the Maastricht Treaty. Years' worth of wrangling went on along the way to having a

common currency, the euro, and one central bank.

Predictions of doom and eventual dissolution were many. Long time Members know that this is a subject I have written and spoken of often; not only because of the financial/market implications but the *historical* ones as well where European and Christian civilization are concerned. But in the end--and until now--this experiment has continued to move forward even if it never has had much popular support from the average European citizen.



*The increasingly hated Merkel is now isolated*

**What last weekend's various national elections to send representatives to the European Parliament revealed anew is that the "support" for the status quo and for a *continuation* of building a plutocratic European super state is more thin than ever.** The citizenry throughout the continent well knows the truth of what William Joyce so eloquently wrote about finance in his book. They know that the current continental "bankocracy" that has increasingly rendered moot their respective national *democracies* was not intended to benefit them. That has mattered little, however, when so many national leaders have gone along with this whole scheme no matter how detrimental to their own citizenry.

But whereas several of Europe's "core" countries were once at least somewhat willing to support the agenda driven by the plutocrats and bankers in Brussels, last weekend's voting pretty much leaves Germany as the only major nation pushing for business as usual. Once upon a time, Germany could claim former enemy France as a partner in building a totally united Europe. Further, most of the other more prosperous nations that belong to the E.U. were at least tacitly accepting of the federal agenda: the Netherlands, Finland and Luxembourg among them. Even England, though it has never adopted the euro as its currency to replace sterling, otherwise has been more a positive influence than a negative one. But now that's all over; and more than ever, an increasingly isolated and hated Merkel is viewed by many others in Europe as a "new Hitler," attempting to conquer Europe merely in a different manner.

By far and away, the biggest blow against what is perceived to be Germany's modern-day quest to rule the continent by using bankers and bureaucrats (rather than tanks and troops) was struck by French voters. That Marine Le Pen and her National Front party did so well--it received more votes than any other--was not the biggest surprise. More so, those who went to the polls showed their loathing for the parties currently governing France (and tacitly endorsing the E.U. colossus.) Most humiliating of all was the beating dealt specifically to the Socialists of current president Francois Hollande. *They brought up the rear with 15% of the vote.*



*Now, Marine Le Pen is a key contender for French president*

Now the head of the top French party on both her own national stage and, now, at the European Parliament, Le Pen said after the results that, "The people have spoken. Our people demand one type of politics: they want French politics by the French, for the French, with the French...The sovereign people have proclaimed loud and clear...that they want to take back their destiny into their own hands."

"We must build another Europe, a Europe of free and sovereign nations and freely decided cooperation," she went on, echoing the common refrain from both left and right that their issues are not with being partners of the European neighbors, but with the current plutocratic leadership of the E.U. which *forces* this via the choking of national sovereignty and democratic principles chiefly to enrich the banks and Europe's own version of "the 1%." "Tonight is a massive rejection of the European Union. If Germany has become the economic heart of Europe, through the incompetence and weakness of our leaders, then France has been and will be the political heart of Europe. What is happening in France signals what will happen in all European countries; the return of the nation."



*Part Jim Traficant, part Ron Paul; but not a likely Prime Minister*

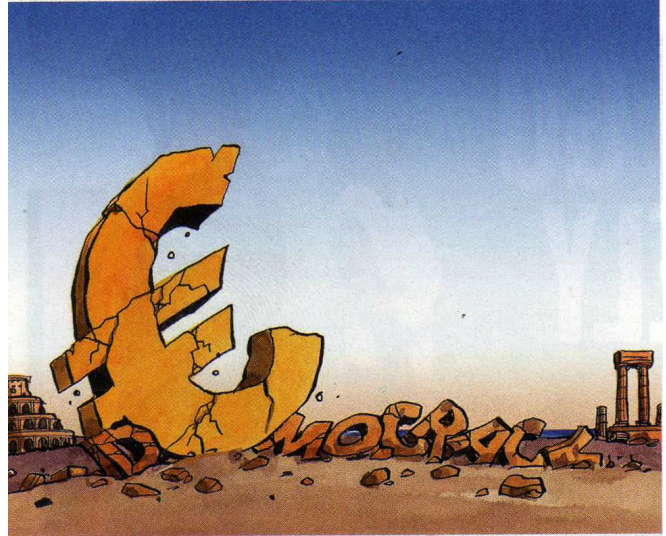
Also exceeding the fondest hopes and optimistic predictions of his own supporters was current M.E.P. Nigel Farage, whose U.K.I.P. (United Kingdom Independence Party) was likewise the biggest vote-getter in his own country. His contingent of "euro skeptics" will now as well be the biggest single one that the U.K. sends to the continental Parliament.

*Whether Farage will be taken as seriously in the U.K. as a contender for Prime Minister in the next national elections as Le Pen will now be in France is*

*debatable.* The biggest reason is that current Prime Minister David Cameron will prove far more skilled in co-opting enough of the voters and sentiment now marshaled by Farage to neutralize the populist leader. This will be in much the same way as, for example, Republican presidents have done with the likes of George Wallace and Ross Perot in the past. In France, however, the fact that pretty much *all* the other major parties are properly blamed by the people for their current state of affairs will support Le Pen when she inevitably challenges Hollande in national elections.



If any *major* reforms come about as a result of now having a much larger number of euro skeptics in the parliament it will most likely *not* be due to that body itself legislating them. To be sure, the plutocrats in Brussels are already hard at work alternately trying to marginalize in particular the increased "right wing" contingents coming from France, Austria, Italy, etc. while promising some measures that will "help" the man on the street and, thus, placate some on the left. *Don't forget that no parliamentarian in Strasbourg has the ability to even introduce legislation.* Europe's true rulers at the European Commission decide on legislation; M.E.P.'s can but vote yes or no.



**Thus, any existential threat to the E.U. as it exists presently and, by extension, to the euro (and obscenely overinflated European credit markets) will come via national elections where the people of individual nations will be able to vote for the people who, in the end, are the only ones that would have the power to extricate them from this scheme.** While anti-E.U. contingents will hopefully continue growing elsewhere, this will undoubtedly for now keep most eyes on France and the United Kingdom, with the former being the biggest threat. Le Pen has already called for the dissolution of France's National Assembly and expedited national elections. You can expect to hear the venom against her increase soon as not only her political rivals in France but the plutocrats in Brussels seek to short-circuit her and her party. For Britain's part, Prime Minister Cameron continues to promise a national vote a few years hence on whether his country will stay in the E.U. or not. Farage will keep his feet to the fire.

## FOR PRESENT PURPOSES...

Despite the likelihood that this next week is universally expected to contain *some* measures from the European Central Bank ostensibly designed to help Europe's sluggish economy, it is difficult to imagine a scenario for the months ahead that the markets are going to like where Europe is concerned. As I have been discussing, we have for many months now seen a euro *far* stronger versus the dollar than the

fundamentals of Europe's economies and its still-sick banking system warrant. On some debt, German interest rates are *half* those of comparable U.S. Treasury securities. Even in some of the peripheral nations--most all of them *still* basket cases, only made to *look* better recently by inflows of speculative capital--yields on sovereign debt are so low as to not remotely reflect the *continuing* risk.



**Emboldened by the latest election results, citizens of many European nations will ramp up their protests of their plutocratic rulers.** Though they remain little covered in our

own press here in America, public protests and even riots of various kinds will become even more a way of life most everywhere. Together with the fact that *whatever* the E.C.B. decides to do (more on this further along in this issue, where **the specific investment implications** for us are concerned) is unlikely to be of any more help to the hoi polloi in Europe than the Federal Reserve's trickle-down monetary policy attempts have helped "Joe Sixpack" here, the debate and mood alike will become increasingly coarse. *Those who have recently been bidding several of Europe's equity bourses to their own new all-time highs, together with the even goofier present valuation of sovereign debt in most of these countries, will be hard-pressed to justify sticking around.*

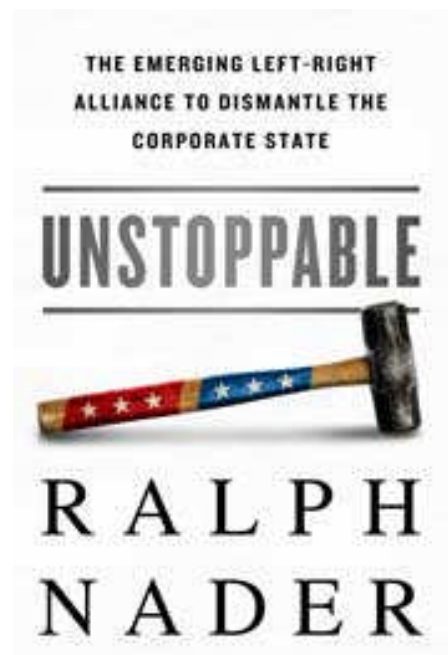
Ultimately, the risk is high of a return to the market sentiment we saw acutely in 2010 where Europe and the euro are concerned. Despite the recent noise, the markets have long since grown to be of the belief that a federal Europe with a common currency and (another matter still to be decided) *one overall banking authority* was a done deal. But whereas the euro crisis of 2010 was chiefly due to the "weak links" such as Greece and the other "P.I.I.G.S." members imploding financially, *now the threat will be to the existence of that federal Europe itself.* As Farage said among his own comments on U.K.'s Election Night, "I don't just want Britain to leave the European Union. I want Europe to leave the European Union." He will remain one of the chief spokesmen for the cause--part libertarian, part capitalistic and part nationalistic, in his case--of a return to nation-state democracy in Europe.

## "MY ENEMY'S ENEMY IS MY FRIEND"

Undoubtedly, the plutocrats in Brussels will be hoping that age-old rivalries crop up among the cacophony of personalities--left, right, nationalist, Communist and tooty-fruity--on their way to their first sessions of Parliament. **Sadly, this hope is not without foundation; after all, what you will now see in the European Parliament is the equivalent of the 435-member U.S. House of Representatives suddenly counting among its members a good 125 or so clones, variously, of former Congressmen Ron Paul and Jim Traficant, current Sen. Bernie Sanders and consumer activist/author Ralph Nader.** Collectively, they will not constitute a majority able to accomplish a whole heck of a lot. But collectively, they could force some major change; but only if they see as their target the E.U. leadership turning ALL OF THEM into serfs. The E.U. hopes they turn on one another.

As much as I thoroughly enjoy listening to Farage speak (he regularly reminds me of my old acquaintance Traficant, who would have gone much farther on the national stage had You Tube been around in his day) it remains to be seen whether he has the stuff of a *statesman*. Thus far, he has resisted any notion of forming alliances of any kind with most other Euro skeptic party leaders; certainly not with Le Pen. The National Front's leader, on the other hand, has been acting far more statesmanlike, calling for cooperation and common cause where the victors of the recent elections are concerned; all with the goal of a unified attack against a plutocracy destructive to ALL of Europe's people, be they from the left or right.

A few of you longest-tenured Members here remember that I was privileged quite a few years back to be part of a common cause joining "left" and "right" which, in the end, dealt an unexpected defeat to America's own plutocracy. Both the Clinton White House and the G.O.P.-led House of Representatives (led then by one of the great chameleons of all time, Newt Gingrich) were hell-bent on both



the passage of the then-current version of fast-track trade authority, as well as a *major* new treaty known as the Multilateral Agreement on Investment. I won't take the time here to go into the details of both. The point is--in true David versus Goliath fashion which stunned the political establishment and caused Gingrich and Clinton to beat a hasty retreat--our assortment of activists from both left and right won the day. **And the main reason was that we were all willing to put aside our various differences and focus on the common enemy of *all* the people of America.**

I was honored to meet for the first time back then (the Fall of 1997) Ralph Nader; one of our many rallies at the time took place right after Labor Day at Washington's Lafayette Park. It was no small task to defeat the masters of the global plantation; Gingrich proved himself a particularly skillful liar for a while as he--in increasing desperation--sought to keep his own Republican members from jumping ship. But we did it!

Likewise, I hope that the scores of new M.E.P.'s who will be taking their seats in Strasbourg for the first time officially in just over a month from now, will focus on their common enemy. (I hope some of their supporters will get for them copies of Nader's GREAT new book, the cover of which is above.) This recent election is the most important thing to happen to Europe in a *very* long time. It will be best for *the world* if those taking their seats understand that the political battle is not left versus right, but *the people versus the plutocrats*.

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**The above is the cover story, excerpted from the May 31, 2014 issue of *The National Investor*.**

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