

# Euro Crisis: Britain's Financial Arsonist Returns to the Scene of the Crime

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*The incendiary finance capitalism unleashed by Britain 25 years ago is at the heart of Europe's raging debt woes*

You either have to admire British Prime Minister David Cameron's brass neck, or wince at his arrogant stupidity. The smart money is probably on the latter option.

For here you had the British leader heading to the European Union summit convened last week to "salvage" the EU from its the terminal debt crisis - a crisis that is threatening the survival of the Euro single currency, the political future of the European Union and may even be sounding the death knell for the faltering capitalist world economy.

Yet, given the stakes involved, all Cameron wanted to do was exploit the crisis in order to claw further concessions for the City of London's stock exchange. Such self-serving opportunism was rebuffed by his German and French counterparts, whereupon Cameron stomped his feet and declared that Britain would exercise its veto over EU plans for tighter fiscal controls on member states. The British veto may now hamper the EU's ability to assuage the financial markets, which are daily extracting pounds of flesh with exorbitant rates of borrowing on government bonds.

Not that the leaders of the other 26 EU states are acting as noble knights in shining armour, vying to protect their populaces from further economic suffering. The revised EU treaty they have in mind will only deepen that suffering by expanding austerity and cutbacks for the majority of people across Europe. The fiscal and economic policies of member states will henceforth be dictated by the European Central Bank and the International Monetary Fund. That is, national sovereignty supposedly serving the people, according to their votes, is to be replaced by the rule of unelected bankers and technocrats. In a very real way, the debt crisis of Europe is serving to usher in a dictatorship of finance capitalism. As Paul Craig Roberts noted recently on Global Research with regard to the EU - "the banks have taken over" [1].

Ironically, it is German Chancellor Angela Merkel and her French collaborator, Prime Minister Nicolas Sarkozy, who are foremost in marching mainland Europe into the arms of this dictatorship.

However, Cameron's one-man crusade at the EU summit was no act of Churchillian defiance to defend the rights of the people in the face of financial fascism. Britain under this present Conservative leader has been bludgeoned with one of the most draconian austerity budgets inflicted anywhere across Europe, wielded without mercy against workers and aimed

deliberately at placating first and foremost the finance markets. Indeed, Cameron's government is one of the main advocates of deeper social spending cuts for the rest of Europe.

So the notion that the British leader was in some way making a fight-them-on-the-beaches kind-of stand towards other European leaders/quislings of finance capital is risible.

And what is even more risible is that the sole objective of Cameron and his foreign secretary William Hague was to secure concessions for the City of London. Many people in Europe have good reason to believe that it is the City of London and its brand of finance capitalism that has created and provoked the debt crisis in the first place.

It was Cameron's much-admired predecessor Margaret Thatcher who oversaw the systematic deregulation of the London Stock Exchange, starting in 1986 with what became known as the "Big Bang" - the wholesale removal of controls on financial transactions. From then on, the British economy went from one based on manufacture and production to one hallmarked by financial speculation. London became the money capital of the world, outflanking New York. The financialisation of other economies would follow the British slash-and-burn economic path, as the new culture of predatory financiers and investors used speculative profiteering to gut manufacturing bases.

The deregulation of financial markets was a showpiece policy of subsequent British governments, whether Conservative or Labour. It spawned a plethora of "financial innovations" such as hostile takeovers, downsizing, short selling and derivative trading, whereby money and debt were recycled and multiplied fictitiously - with inevitable catastrophic consequences. This of course is the ineluctable, historic dynamic of late capitalism. The system tends to mount up massive poverty and thereby becomes incapable of producing goods and services because the conventional profit system becomes exhausted. That is why late capitalism has more and more turned into a form of debt-ridden financial arson in order to recklessly eke out the last reserves of profit.

In previous centuries, it was England that innovated industrial capitalism. At the end of the 20th Century it was the British (and their Anglo-American culprits) who have the dubious honour of unleashing finance capitalism on the rest of the world. The new brand of capitalism can be traced directly to the collapse of banks and institutions, such as Barings, Lehman Brothers and Long-Term Capital Management, and to the collapse of pension funds and property assets dragging millions of people into debt. And now this particular British innovation of incendiary capitalism can be traced to the collapse of entire countries.

The spectacle of bankrupt David Cameron swaggering over to Europe to ask equally bankrupt European governments for more deregulatory concessions for the City of London is about as stupefying as an arsonist returning to the scene of the crime - and asking for more gasoline.

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## Notes

[1] <http://www.globalresearch.ca/index.php?context=va&aid=27872>

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### **About the author:**

Finian Cunningham has written extensively on international affairs, with articles published in several languages. Many of his recent articles appear on the renowned Canadian-based news website [Globalresearch.ca](#). He is a Master's graduate in Agricultural Chemistry and worked as a scientific editor for the Royal Society of Chemistry, Cambridge, England, before pursuing a career in journalism. He specialises in Middle East and East Africa issues and has also given several American radio interviews as well as TV interviews on Press TV and Russia Today. Previously, he was based in Bahrain and witnessed the political upheavals in the Persian Gulf kingdom during 2011 as well as the subsequent Saudi-led brutal crackdown against pro-democracy protests.

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