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## *Ireland's New President, Other European Fools and the Abyss*



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The Irish just elected their President. But who cares? No one – least of all the Irish. History has ruthlessly disappeared the Irish nation state, so the idea of an Irish President is anachronistic. Consequently, in Ireland, the Irish Presidency now provokes more embarrassment and laughter than respect. Nonetheless, the Irish establishment reproduces itself without a second thought – as if time and gravity don't matter. Like Irish banks, the Irish state is dead but continues to move. Why?

Europe today is not a game of thrones but a game of charades. Everything is pretense. Fictitious capital is the reason. And the result is fictitious politics. The economic crash of 2008 changed everything. Or killed everything. The European Union to start with. Followed by the Europe's nation states. History moved forward so forcefully in September 2008 that Europe, a decade later, is still trying to catch-up with reality. Until it does so, charades is all it has.

The new European reality is unreality. Its one of illegitimate power and unnecessary subservience. Its a fools game. The democratic, national and continental charades try to distract the eye from this naked truth. However the feeling of shame is inescapable. As is the feeling of entrapment. Voting nationalist or voting for a president or for exit may momentarily cover the abyss, but within seconds, reality bites: Europe is a tool in the hands of global capitalists. And no one has a clue what to do. No one knows how to get back to the real.

Europe is a fool. Who says? The masters of the universe: Wall Street. American financiers have explained in frank language the place of Europe within global capitalism. In the heyday of globalization, around the year 2000, an insider explained Wall Street's view of the world:

“One of the first lessons I was taught on Wall Street was, “Know who the fool is.” That was the gist of it.... “Know who the fucking idiot with the money is and cram as much toxic shit down their throat as they can take. But be nice to them first”..... in ‘93, Japanese customers....were considered the fool.....By the turn of the century many of those customers had collapsed, partly from the toxic waste we sold them, partly from all the other crazy things they were buying.....The launch of the common European currency, the euro, ushered in a period of European financial confidence, and we on Wall Street started to take advantage of another willing fool: European banks. More precisely northern European banks.”

[Chris Arnade, writing in *The Atlantic*, 2015]

Or consider this nugget of truth:

“You’d talk to a New York investment banker, and they’d say, ‘No one is going to buy this crap. Oh. Wait. The Landesbanks will!’” When Morgan Stanley designed extremely complicated credit-default swaps all but certain to fail so that their own proprietary traders could bet against them, the main buyers were German. When Goldman Sachs helped the New York hedge-fund manager John Paulson design a bond to bet against—a bond that Paulson hoped would fail—the buyer on the other side was a German bank called IKB.

IKB, along with another famous fool at the Wall Street poker table called WestLB, is based in Düsseldorf—which is why, when you asked a smart Wall Street bond trader who was buying all this crap during the boom, he might well say, simply, “Stupid Germans in Düsseldorf.”

[Michael Lewis, writing in *Vanity Fair*, 2011]

And what did those “stupid Germans” do when they weren’t buying American crap? They were financing crap in places like Ireland. Thanks to the “stupid Germans” the “stupid Irish” were on a spectacular binge:

“The numbers [are] breathtaking. A single bank, Anglo Irish, which, two years before, the Irish government had claimed was merely suffering from a “liquidity problem,” faced losses of up to 34 billion euros. To get some sense of how “34 billion euros” sounds to Irish ears, an American thinking in dollars needs to multiply it by roughly one hundred: \$3.4 trillion. And that was for a single bank.”

[Michael Lewis, writing in *Vanity Fair*, 2011]

When “September 2008” happened, Europe dissolved. European unity and European nations were abruptly discarded by the “governments of Europe”. All that mattered were bankrupt banks. As a result, “European civilization” crashed just as spectacularly as European capitalism. Europe devoured itself. Its credibility vanished overnight. And ten years later it is still nowhere in sight. Listen to an American financier who witnessed this new European barbarism up close:

“...the Europeans came into that meeting [G7 meeting, 2010] basically saying: “We’re going to teach the Greeks a lesson. They are really terrible. They lied to us. They suck and....we’re going to crush them,” was their basic attitude, all of them....they were mad and angry and hey were like: “Definitely get out the bats.” They just wanted to take a bat to them.”

“.....the [Germans] were just paranoid that every act of generosity [sic] was met by sort of a “fuck you” from the establishment of the weaker countries in Europe...and so the Germans were just apoplectic....”

“The Europeans actually approach[ed] us [Americans] softly, indirectly before the thing saying: “We basically want you to join us in forcing Berlusconi [the democratically elected Italian leader] out.” They wanted us to basically say that we wouldn’t support IMF money.... for Italy....if Berlusconi was prime minister. It was cool, interesting. I said no...”

[the words of Timothy Geithner, Obama's Secretary of the Treasury, as reported in the *Financial Times*, 2014]

And what was the official American opinion of Ireland, during all this?

“Ireland, most people view in retrospect, was stupid to guarantee all their banks. They couldn't afford it. They were eight times the size of their economy...”

[words of Timothy Geithner, *Financial Times*, 2014]

In the above words you can feel the death of the European Union (EU) and the death of nation states like Ireland and Greece. The logic of capital wouldn't have it any other way. It created a cruel disunity that now can't be reversed. The crass stupidity, the “baseball bats” and the “coups” have all been exposed and normalized. Capital needs it to be so, because the debts amassed – not just during the boom but also after it – are both enormous and odious. And need to be serviced.

Capital, therefore, has turned the EU into a giant debt collector – one that has no interest in civilization. And no interest in nation states (capitalist states or cages are ok!). Finance is everything. The creation and collection of debts is now the EU's only reason for being – which means it now has no reason for being.

Europe today is determined not by the “stupid Germans in Düsseldorf” but by the stupid Germans in Frankfurt – the home of the European Central Bank (ECB). Following the lead of Wall Street once again (you'd think “once bitten twice shy” – but the President of the ECB is, after all, a Goldman Sachs guy) the Frankfurt Fools have been relying on Quantitative Easing (QE) to keep the whole bankrupt show on the road – since 2008. This is how Nomi Prins, a prominent financial critic, describes QE:

“a conjuring trick” in which “a central bank manufactures electronic money, then injects it into private banks and financial markets.... under the guise of QE, central bankers have massively overstepped their traditional mandates, directing the flow of epic sums of fabricated money, without any checks or balances, towards the private banking sector....[its] a massive deceit and a huge factor in driving inequality – a dedicated effort by institutions with the ability to create money, deciding that it doesn't go to ordinary people”.

[Nomi Prins, interviewed by *Unherd*, June 2018]

Europe has accentuated this gigantic fraud, and this inequality, by promoting austerity at the same time as QE. Across Europe a class conscious – rather than a European conscious – establishment has inflated itself, while deflating the half-conscious workers.

The extremely unbalanced nature of this class structure will collapse the system once more. The re-inflated banks can do nothing more than re-inflate the debts. While the governments absorb past debts. And the workers? They're expected to carry all this financial engineering, even though their backs are breaking – due to stagnating and falling wages.

The EU is one of lynchpins (along with the USA and Japan) of this moribund political economy. Indeed, it's the weakest link in this chain of debt that QE expands. And when the this financial fiction can no longer be believed – game over! The political fiction won't be able to hide the facts anymore. The presidents, political parties, pundits and “nation states” that have camouflaged “the conjuring trick” during the last decade will be ripped apart by the plebs, people, proletariat, or whatever you want to call these agents of change. It has already started.

QE is ending. And populism (the good and bad) is on the rise. The new debts, which covered over the old bad debts, are ready to be called in.

“QE and low rates....have caused a debt explosion....public and private debt combined amount to a staggering 225% of global GDP – much of it accumulated since the financial crisis.”

[Nomi Prins, in [unherd.com](http://unherd.com)]

According to the German sociologist, Wolfgang Streeck, global capitalism has been “buying time” for the last four or five decades. It looks like there's no time left to be bought. There's no more financial tricks in the bag. September 2008 exposed everything. And the pretense and charades, that have passed for politics and economics since 2008, are today transparently absurd. The smell of systemic death in the first world – never mind the third world – is undeniable.

In places, or farces, like the Irish nation state and Europe, the dead institutions and the fools who say otherwise, are ready to fall. It won't be pretty but it will be liberating.