

Will the fundamentalists drive Europe to the edge?

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[Debt crisis: Panic on Wall Street, stonewalling in Europe | Business | The Guardian](#) .

It's clear Europe is now in economic crisis: a crisis that may be bigger than that of 2008 very soon.

As the Guardian notes:

leading economists such as the Nobel prizewinner Joseph Stiglitz and Nouriel Roubini, who accurately predicted the credit crunch, have expressed doubts over the survival of the euro in the light of the ECB's rigid interpretation of its remit to maintain low inflation, regardless of the consequences of low growth and rising unemployment in countries forced to take deep cuts in public spending.

Roubini and Stiglitz are sceptical that governments can or should squeeze their spending to fit constraints laid down by the ECB and eurozone rules. Professor David Blanchflower, the former Bank of England monetary policy committee member, said it was "crazy" for highly indebted countries such as Greece, Spain, Portugal and Britain to enter a "death spiral" of spending cuts that would lead to lower growth and more cuts.

"All anyone is talking about is austerity, but all you get is more unemployment and low growth. Then you find yourself in a spiral of debt as low growth forces you to cut spending further," he said.

Analysts also said the ECB was closing its eyes to tensions in the single currency zone.

"The ECB seems more concerned about cracks to its credibility than cracks to monetary union," said Christoph Rieger, co-head of fixed-income strategy at Commerzbank in Frankfurt. "This approach can be considered consistent with the ECB's principles. But it risks that the market will still force the ECB's hand before long."

The message is clear: market fundamentalists at the European central bank are driving Europe towards monetary failure, economic collapse and maybe monetary failure.

How long is it before politicians have to wake up, stop these idiots (yes I mean that) and say we want a Green New Deal - still the best (according to many I speak to) balanced prescription for what the economy of the UK and the economies of Europe needs.

Pray for it.

I promise you, the alternatives are too horrible to contemplate.