

Athens bank blaze kills 3 as Greeks protest cuts

Three people die as a bank goes up in flames as tens of thousands of Greeks took to the streets to protest harsh spending cuts aimed at saving the country from bankruptcy.

http://www.msnbc.msn.com/id/36958519/ns/world_news-europe/from/ET

Take a close look at what is happening in Greece and the European Union today. This is not just an isolated event occurring in some remote part of the world. For those of you watching the Dow Jones Industrial Average, it may have a little more meaning, but this is a story that has deep meaning for the tea party movement and what we are trying to accomplish. I can't give a thorough analysis of the forces that have led to this catastrophe, but some things are obvious. The Greeks have spent beyond their means. International credit has been relatively cheap and politicians have failed to exert the continual discipline necessary to avoid the inevitable outcome we are witnessing. The day of reckoning has now arrived in Greece and the alternatives all appear bad. A significant part of the population has taken to the streets, bank employees have been murdered and the shop windows of merchants have been smashed and their stores looted. If a nation's economic well-being is dependent upon its growing its wealth in order to support increasing standards of living, the demonstrators in Athens and Thessaloniki are doing the very thing to destroy the nation's wealth and opportunity to attract foreign capital. They are doing it through ignorance, hatred and envy, an explosive mixture of motives.

Have you noticed that we are seeing a whole series of booms and busts in a relatively short period of time, beginning with the Tech Bubble, the Housing Bubble and then the Credit Bubble? The next bubble/bust will likely be sovereign debt, when entire nations go bankrupt. If Greece avoids bankruptcy it will be only as a result of bailouts which are charged to productive nations and people. Yes, the European countries are taking a hit and the value of the Euro has plunged as a result. Portugal and Spain could be nearing similar situations. One observer believes the EU could absorb a parallel bailout of Portugal, but not Spain. If Spain succumbs the 11-year old Euro could fold and European nations would be forced back to national currencies.

It is difficult to discern how much US money is tied up in the Greek financial mess either directly or indirectly, but it would be naïve to believe we are not impacted in some way. Even if it is insignificant, the lesson for Americans is to be careful about foreign entanglements, advice given to us in George Washington's Farewell Address. Washington was no isolationist, however. He wished to be friends with all nations, and encourage free trade internationally. But he wished to avoid the entanglement of political ties. The implications of international trade were clear in his day – the private sector assumes the risk, not the government and the people of the United States.

One of the major causes of the rise of Nazi Germany was a similar situation that occurred after the 1929 Crash, a disaster triggered by our attempt to support the British pound in the late 1920s (see Lionel Robbins, *The Great Depression*). Much of the middle class in Germany had been destroyed by the hyperinflation of the earlier part of the 1920s, and what remained was fertile ground for conflict among the three socialist forces – the international socialists (Communists), the national socialists (Nazis) and the social democrats, each having its own militia.

We see our own politicians of both parties getting this nation deeper and deeper into debt, and the government is directing financial resources into projects and activities that are further and further away from producing the real wealth upon which individual well-being relies. Our President sees himself as the Resource Allocator-in-chief, to borrow a friend's label. A quick Google search will assure us he has no background in economics and no commercial experience whatsoever. And yet he is making decisions that are bound to bankrupt the country. We can't see this as a political party matter because Barack Obama succeeded a president who was one of the office's greatest spenders. Here in US Congressional District 6, we are represented by an individual who was a major part of the Bush – Paulson bailouts. We have an immense challenge ahead of us since we are the only political force on the US political scene that has the potential to clean out the corruption in both political parties.

When we work for constitutional government and financial responsibility in Washington, we do so knowing that what has happened in Greece is not as remote as we would like.