

BERNIE SANDERS WARNS OF THE RISE OF NAZIS IF THE FED HELPS ECB FURTHER DESTABILIZE GREECE

Bernie Sanders just wrote a letter to Fed Chair Janet Yellen asking why she is doing nothing as the European Central Bank destabilizes Greece's newly elected Syriza government.

Several weeks ago the Greek people voted for a new government. This government canceled the privatization of key public assets, raised the minimum wage, and restored electricity to the needy. This government is seeking to restructure its relationship with the European Union to encourage economic growth in Greece and to escape from a deflationary cycle.

Recently, the European Central Bank (ECB) announced that it will no longer accept Greek official debt as collateral for loans to financial institutions in that country on the grounds that the new government is not following the dictates of the previous, failed policies. This move had an immediate destabilizing effect on the U.S. and world markets, and further moves could provoke a run on the Greek banking system in the days or weeks ahead.

The United States cannot stand idly by while the European Central Bank undermines the new democratically elected government of Greece, induces deflation and risks financial instability. President Barack Obama was right when he recently noted, with regard to Greece: "You cannot keep on squeezing countries that are in the

midst of a depression. At some point, there has to be a growth strategy in order for them to pay off their debts to eliminate some of their deficits.”

It would be a terrible mistake for the world to forget what happens when a democratically-elected government, as was the case in Germany in the 1920s, is unable to relieve the severe economic suffering of its people. We must remember that waiting in the wings should this recently elected Greek government fail is the neo-Nazi Golden Dawn party. We cannot allow fascism to come to power in a European country due to our unwillingness to reverse harmful austerity policies.

I doubt it'll do much good – Yves Smith has more on how the biases of the Fed make its tacit support for ECB unsurprising.

But I love that Sanders wrote such a letter and laid out the stakes so clearly. In both Greece and Ukraine, the US seems intent on pursuing counterproductive approaches, as if it can manage any unintended consequences. Except both countries are proof that the US and its allies have failed to be able to do so.

Austerity policies have failed in Europe, as they fail almost everywhere. And yet the elite seems intent on doubling down, as if their ideological beliefs can create a reality that has thus far failed to materialize.