

## Farage: EU paralysis leading to a debt union

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â€¢ With world markets in turmoil and gold and silver tremendously volatile, today King World News interviewed former LBMA commodities broker and trader and current MEP Nigel Farage to get his take on the situation. Â

Asked what is happening with the Eurozone crisis, Farage responded, â€œParalysis, I think thatâ€™s the only way one can describe it.Â They put together a currency, an economic and monetary union of countries that were entirely unsuited to each other.Â The idea that Greece and Germany could coexist under the same monetary framework was always a joke as far as I was concerned.â€•

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Nigel Farage continues:

â€œSo now weâ€™re at the crisis point where the Greeks have been bailed out twice.Â The Portuguese and the Irish have been bailed out once and we now have the markets indicating that there are problems in Spain and possibly even in Italy, which is the Eurozoneâ€™s third largest economy.

So the situation is serious and those that believe in the European project are calling for the European Union to become a debt union.Â This would mean that every hard working German person would have to take on a huge amount of Greek debt.Â Now, not surprisingly this is causing a democratic revolution that is taking place across northern Europe.Â

Angela Merkel, who is Chancellor of Germany, the biggest country in Europe by some margin, is in this impossible position because on the one hand if she turns it into a debt union to â€˜saveâ€™ Greece, which will really imprison her (Greece) in a system that doesnâ€™t work, if she does that German public opinion will just go wild.Â

If on the other hand she says, â€˜Look, weâ€™ve had enough of this, weâ€™re sick of this and we want Germany to take back the Deutsche mark,â€™ sheâ€™ll be seen to be a bad European.Â So there is paralysis and we are on the very edge, possibly, of this whole thing just getting so hopelessly and completely out of control that there could be some sort of disaster.

I was last night with one of the four German professors who took the German government to their own constitutional court to say that the bailouts were actually illegal under the European treaties.Â Now they didnâ€™t win the court case because if they had won it would have brought down the whole German establishment and that wasnâ€™t going to happen.Â

But what they did win was a very major concession and that was Merkel cannot agree to anymore bailouts, cannot agree to the European Central Bank continually buying up the debt of bad Eurozone countries without the whole thing first being debated and voted on in the German lower house known as the Bundestag.Â Southern Europe now looks on, detached, on the edge of bankruptcy, I mean the whole thing is the most incredible mess.â€•

When asked about the action in gold Farage stated, â€œYeah, weâ€™ve had a setback, a little bit of a settling of the gold price after what was a meteoric rise.Â I think the worst in the financial system is yet to come, a possible cataclysm and if that happens the gold price could go (higher) to a number that we simply cannot, at this moment, even

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imagine.Â Gold is in an uptrend and professional traders should be buying the dips.â€•

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