

Governments Exist for Citizens, Not Banks

EIR's Claudio Celani interviewed Independent Irish Dáil (parliament) member (TD) Thomas Pringle, in Luxembourg, on Oct. 23, 2012.

Claudio Celani: Mr. Pringle, we heard today, here in Luxembourg at the European Court of Justice, your arguments against the ESM, the European bailout fund. Your attorney basically said that the ESM vio-

lates European law itself. Then we heard arguments from more than a dozen representatives of member nations, the European Parliament, the European Union, etc., and it's not over yet; we are on a break. Can you tell me if you found convincing arguments from your opponents?

Thomas Pringle: I suppose, in a word: No. It's very interesting listening to submissions from the other member states. Obviously, they were all party to the decision that established the ESM, so they have to defend their position.

It's interesting what they haven't addressed, rather than what they have addressed. In none of the submissions, have they addressed how the treaties could have actually been amended to make this possible. And I always have argued that that could have been done. Obviously, they took a decision, for whatever reason, not to do that and to establish this ESM outside the control of the [European] Union. And it's interesting, I think, that none of them has addressed what could have been done. And they say that it is the only option they had, while we have always argued that they had others.

Celani: Yes, we heard also some arguments which went into political contents, for example, the German representative, but also other representatives. He said that we must put this discussion in context, so he made it political. And he said, basically, that if there are doubts cast on the legality of the ESM, this would upset the markets, and this would be the doom of the euro and of Europe. Do you think this is a scare tactic?

Pringle: Well, obviously, because the decision to establish this ESM was taken in October 2010, over two years ago. And we know how the so-called markets have reacted all during that period. We couldn't have had any more instability than we have had, since they made this decision.

So, I think that it is very important that this court leaves politics at the door, and the court considers the treaties as being the founding body of the Union and looks only at those purposes. And I think it's wrong that

politics should be brought into it, and looking at the wider political situation, in making the arguments before the court.

The City of London Weighs In

Celani: I was also struck by the speech of the British representative. Because the British are not in the euro, but they are in the European Union. And apparently, his speech demonstrates that it's not about the euro, otherwise the British would not care; they would be indifferent. Or how do you characterize that role?

Pringle: Yes, I suppose, when you look at the City of London and the financial services there, Britain, while they are not a member of the Eurozone, they are very closely linked to the Eurozone. And they would see the survival of the Eurozone and the protection of the euro as being very important to their own interest as well. And for that reason I presume that they went along with the amendment to Article 136 [of the Lisbon Treaty], because it's in their interest.

Celani: Let's take a step back from the discussion of legality, and let's go into politics and into the economy. This raises the issue: What is the ESM for? Is it for the euro, for the states, or is it for the banks, to save the banks?

Pringle: Well, I think it's obvious, and that it's for the banks. And that it's for making the Irish bailout, a bailout right across Europe, where citizens become responsible for the banking debts, debts that they are not responsible for accruing, but citizens will be responsible for in the future.

The ESM is intended to lend money to sovereign states who will use up that money to recapitalize the banks, and the citizens of those states are responsible for the repayment of that money. So, it is an Irish bailout for Europe.

Celani: Yes, your country, Ireland, has been victimized in the first place, because in Euroland it's not allowed to let banks fail. So, the taxpayers have to come in and bail out the banks.

If we had had, in the first place, a strict division, as it's being discussed right now, between commercial banks, deposit banks which are protected by government, and investment banks, which speculate, this would not have been the case. So, are you in favor of this, now?

Pringle: Yes, that wouldn't have been the case if we



had had effective regulation. If the German and French and English banks had acted responsibly in their lending to Irish banks, we wouldn't be in the situation either. So the Irish problem is not the creation of Ireland solely. It is a problem of regulation and the neoliberal politics and market capitalism that have continued for the last number of years.

And I think that we have to make banks responsible for their own debts. At this stage in Ireland, we have given over EU80 billion to our banks. We will continue to pay for the next 30 years, possibly another EU50 billion for the saving of Anglo Irish Bank. All of this to protect the euro! And the Irish people are made responsible for all that debt. Even last week, we paid EU508 million into the ESM, where Germany and other countries are saying it can't sort out our problems retrospectively. So, it shows that the intention is to make citizens responsible for the banking system, and not the banks themselves.

Dark Clouds on the Horizon

Celani: Now, there is the unresolved financial crisis and the deepening economic crisis, because the world is now going again into a recession, and there are big, dark clouds on the horizon. But there are also big, dark clouds on the political horizon in the world, in terms of increasing conflicts. Do you see a connection? Is there a danger that we're going towards a general conflict, if the world economic and financial crisis is not solved?

Pringle: That danger is there, in times of uncertainty, at least, further uncertainty. I think that the steps that are being taken, and the austerity right across the Eurozone and across the world, that have been imposed on citizens, are fueling that crisis and making it even worse.

In the Irish situation, the government tells us that we can take money out of the economy and expect the economy to grow, and we have seen now, over the last four years, that that can't happen! And if you do that on a continent-wide basis—at least it is the situation we have in Ireland, where now one in ten people cannot afford to feed themselves; where we have 80,000 people a year leaving the country to go to other countries in search of work, which, as the economic downturn across the world takes hold, will mean that they will have nowhere to go, and that will create further potential for conflict. Where what we should have, is governments taking responsibility for their citizens rather than

their banks, and dealing with the issues. And the solution to debt is not to add more debt to it.

Celani: Now, this legal procedure will resume in about one and a half hours, and some time in the future, this court will give a verdict, a ruling. What do you think, if the court supports the arguments of the European Union and of the governments—do we have tyranny in this case?

Pringle: Well, I don't like to think what will happen if they do. I think that it will be a very bad day for democracy, across Europe and for citizens. It will mean that the intergovernmental way that the decisions are being made now, will be made to be the future. So, we will see that large countries and strong economic countries will dominate and force their will on other countries, which I think will be a very bad thing for the Union.

Celani: Okay. This is a big challenge for this court. Thank you, Mr. Pringle.

Pringle: Thank you, very much.



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