

# Battle Against ESM Expands Across Europe

by Our European Bureau

April 20—The German Bundestag is scheduled to approve the Fiscal Compact and new European rescue fund called the European Stability Mechanism (ESM) on May 25. Thus, only a few weeks remain for the opponents of this codification of bank bailouts and austerity policy to mobilize to stop it. The Social Democratic Party and the Greens plan to approve it along with the government coalition; only the Linke (Left) party and a handful of dissidents in other parties are against it.

Still, resistance is growing substantially outside parliament. Only a few weeks ago, the Civil Rights Solidarity Movement (BüSo), headed by Helga Zepp-LaRouche was practically the only group that not only opposed the Compact and the ESM, but also demanded a referendum on both treaties, and on the euro itself.

Many of these demands are being reflected in the campaign by the “More Democracy” initiative, which was launched at a press conference in Berlin on April 12. This alliance is demanding a referendum before May 25, and is promoting this plan with a huge lobby campaign among elected officials. It has also secured the legal assistance of former Justice Minister Herta Däubler-Gmelin for a lawsuit against the Compact and the ESM, to be brought before the Constitutional Court. They have demanded a preliminary injunction by the Court which would forbid payments into the ESM until the legal complaint has been decided. Without German money, the ESM could not take effect as planned on July 1.

The demand for a referendum is gaining support from such groupings as the Taxpayers Coalition, and many experts in state and international law at German universities, such as Christoph Degenhardt (Leipzig), Peter Neumann (Dresden), Dietrich Murswiek (Freiburg), and Karl Albrecht Schachtschneider (Nuremberg-Erlangen). Christian Social Union (CSU) parliamentarian Peter Gauweiler, Die Linke, as well as several other groups, are planning more suits before the Constitutional Court.



[www.mehr-demokratie.de](http://www.mehr-demokratie.de)

*The “More Democracy” group protests the EU bailout policy in Berlin, April 16.*

The Treaty Establishing the ESM, signed on Feb. 2, 2012, applies only to the Eurozone countries, and creates a permanent rescue fund to bail out member countries—and thereby the banks that have loaned them money. It is to be run by a Board of Governors, one governor appointed by each national government; the unelected Board will have broad powers without being subject to national parliamentary approval, and with its members immune to prosecution. It is supposed to take effect on July 1, if it has been ratified by countries representing 90% of its capital requirements.

The Fiscal Compact, signed on March 2, 2012 by all EU countries except the Czech Republic and the United Kingdom, requires all participant nations to have a balanced budget or a surplus. It is supposed to take effect on Jan. 1, 2013, provided 12 of the Eurozone countries have ratified it.

## Resistance Elsewhere in Europe

Next to Germany, Austria is the country showing the greatest resistance to these supranational measures. The ruling coalition of Conservatives and Social Democrats does not command the two-thirds majority necessary for ratification. Two of the three opposition parties, the FPÖ (a right-wing anti-immigrant party) and the BZÖ (a more moderate split-off from the FPÖ), want a referendum before the Parliament votes. So far, no deadline has been set, because the government hopes, through political concessions, to pull the Greens onto its side.

In Italy, deliberations on the ESM are supposed to begin in Parliament at the end of April. A group under

the leadership of Sicilian activist Lidia Undiemi, with the support of the online publication *Wall Street Italia*, is leading an extraparlimentary campaign against the ESM. Movisol, the sister organization to the BüSo in Germany, and LaRouchePAC in the United States, supports this resolution, and is mobilizing for it. Undiemi is a leading member of the social-liberal party, the IDV.

The resolution says, among other things: “The risk is great that sovereignty will be transferred to a financial organization, followed by a wave of austerity policies that will hit the citizens.” It calls for “a public discussion of the ESM Treaty,” an end to austerity, and defense of the real economy. The corrupt speculators should pay for the crisis themselves, and there should be a means to ensure that the ESM will not be taken over by organized crime, since the ESM is supposed to be immune from criminal prosecution, according to the resolution.

On April 12, former Italian Economy Minister Giulio Tremonti, interviewed in the daily *Corriere della Sera*, attacked the technocratic government of Mario Monti for its economic policy. Tremonti demanded separation of the banks and an investment policy, and attacked the money-pumping of the European Central Bank, which has only temporarily brought down the cost of refinancing the Italian debt. These methods deal only with symptoms, but not with the disease, he said. “It is like trying to cure an alcoholic with alcohol.”

Tremonti also attacked the brutal tax “reforms” of the Monti government and demanded that “the dominant power of the financial circles” be broken. “Productive banks that accumulate private savings to finance businesses, families, and municipalities must be separated from the speculative banks that are gambling in the financial casino. The latter can jeopardize their own money if they want, but not that of the public—i.e., our money—as was previously the case. And finally, the insanity of speculative derivative contracts should finally be banned.”

In Ireland, Thomas Pringle, an independent member of Parliament from Donegal, filed a complaint chal-



*Irish parliamentarian Thomas Pringle filed a lawsuit challenging the constitutionality of the EU austerity treaties.*



© European Community/Christian Lambiotte

*Former Italian Economy Minister Giulio Tremonti compared the ECB's money-pumping policy with “trying to cure an alcoholic with alcohol.”*

lenging the constitutionality of significant features of the treaties on both the ESM and the Fiscal Compact. “Both treaties raise significant policy issues, at the level of EU treaty law and Irish constitutional law,” he said. He wants to challenge the constitutionality of the treaties before the “austerity treaty” referendum on May 31.

Pringle charged that in effect the ESM “can direct the State to raise sovereign debt, give the money so raised to it, and can then decide, where, when, whether, and how it is to be spent. Therefore, Ireland will not have power to control decisions

regarding the use of funds raised by it.”

Pringle was active in the last Irish referendum, the “No to Lisbon” movement.

The referendum could end up with a “no” vote, because the Sinn Féin party is mobilizing against further bank bailouts. The Sinn Féin holds 14 seats (8.4%) in the parliament of the Republic of Ireland, and is the second-largest party in the Northern Ireland Assembly; it is the only party that has elected representatives in both parts of the Irish island.