Sovereignty Trumps the Euro; Irish and Germans Must Act

by Nancy Spannaus

Dec. 14—Prospects are not looking good for Lord Jacob Rothschild's Inter-Alpha Group during this crucial December week. Desperate for hundreds of billions more in bailout money, to cover over their essential bankruptcy, this conglomerate of banks, at the center of the British global financial system, is insisting on two acts of capitulation: first, that the Irish Parliament sign over its sovereignty on Dec. 15, by approving a murderous Memorandum of Understanding (MOU) with the EU and the IMF; and second, that the remaining solvent nations of Europe, mainly Germany, agree to provide unlimited backing for those bailouts during the EU heads of state meeting Dec. 16-17.

According to "trend-lines" cited in the financial press, the Irish capitulation is sure to happen, but even savvy bankers know better than to count on that. With each passing day, the surge of Irish nationalism is growing, and the two victories which the Quisling lame-duck government of Brian Cowen has delivered so far, are just as likely to provoke resistance in the Dec. 15 vote, as the contrary.

Even more problematic for Inter-Alpha is the adamant refusal of the German government to kowtow to demands that it expand its role as the piggy-bank of the European bankers. A fierce battle has erupted over a formal proposal from Euro-Group President Jean-Claude Juncker, that all Eurozone states adopt responsibility for a new category of "euro-bonds," which would back the bankrupt banks. German Chancellor Angela Merkel has strongly rebuffed this proposal, as the attempt to loot German coffers, that it is.

These raging battles are feeding an atmosphere of widespread angst, in which one financial pundit after the other is predicting a blowout of the euro, and even a possible return to national currencies such as the deutschemark, by year's end. Such a blowout would call the question on the essential policy choice before the entire North Atlantic region: replacement of the Inter-Alpha system with a global Glass-Steagall and fixed-exchange-rate system based on sovereign national governments, or a chaotic slide into a New Dark Age.

The Irish Threat

An Irish rejection of the diktat being imposed upon it by the European Union and the IMF, in order to bail out the private, Inter-Alpha controlled banks, is increasingly a real and present danger for the British imperial plan. A "no" vote at any time, or a fall of the government, blows up the game.

True, the Irish government has so far been able to engineer two votes in favor of the "stringent" conditions being imposed upon it by the Memorandum of Understanding that the EU institutions are demanding. By outright bribery of two independent parliamentarians, and other less obvious measures, the Cowen government has squeezed out a bare majority for two elements of the MOU, including dramatic cuts in social welfare provisions, and a cut in the minimum wage.

But each vote has in fact further energized the opposition, which is committed to defending the nation. This was particularly the case with the vote on cutting the minimum wage, which occurred on the same day that the bailed-out Allied Irish Bank, a member of the Inter-Alpha Group, provided hundreds of thousands of euros in bonuses for a large number of its senior bankers. Outrage was immediately expressed throughout the country.

Leading the opposition is the Sinn Féin party, led by Gerry Adams. Adams, who is expected to be elected to the Irish Dail (parliament) in the next election round, on Dec. 11 issued a call for a mobilization to defeat the MOU in the Dec. 15 vote. Those who "value Irish sovereignty" should vote against the deal, he said, and then we can have a general election to vote in a government that has a mandate from the people to proceed in their best interests.

The fighting spirit of Sinn Féin will be absolutely essential in the coming days, in the face of the Third World conditions which are being imposed upon Ireland. Charity workers from the St. Vincent de Paul Society, a charitable organization, are reporting children rooting through garbage bins in search of food in the city of Kilkenny. There are also reports of families totally dependent upon social welfare for food, but without enough money to pay for their housing or electricity and heat.

Creative Commons/William Murphy

Rage has been growing in Ireland at the government's slashing of living standards to bail out the banks. The vote to cut the minimum wage was a particularly harsh blow. Here, a demonstration on Nov. 19, 2010.

Germans Revolt

Meanwhile, on the continent, it is Germany that is resisting the latest supranational bailout schemes by the London-centered financial apparat. Momentum toward breaking free of the euro trap was already growing when Euro-Group President Juncker last week proposed a new system of "euro-bonds," which would saddle all the Eurozone nations with joint debt liability. De facto, that would put the major burden on the most solvent nations, of which there are only six in Europe now—the largest being Germany.

Chancellor Merkel immediately rejected the plan, only to come under a rather unusual verbal attack by Juncker. As tensions rose, Merkel was defended by an array of political leaders in Germany. French President Nicolas Sarkozy also offered qualified support.

Opponents of the EU bailout plan already have a challenge to the system before the German Constitutional Court, a ruling on which is not expected until Spring. In addition, the German media is full of discussion of a potential return to the deutschemark, a policy which the LaRouche movement in Germany has made a *cause célèbre* over the better part of a decade.

Some of the most prominent German critics have turned to media abroad, to rally support for their views and encourage others to take the issue to their own constitutional courts. Constitutional law expert Karl Albrecht Schachtschneider, for example, presented his arguments against the Lisbon Treaty and the euro system in an interview with the German-language newspaper of Prague, the *Prager Zeitung*, where he also forecast the collapse of the euro. And economist Wilhelm Hankel was interviewed on BBC and in *O Globo*, Brazil's leading news daily.

Meanwhile, in Germany, a very prominent name has joined the battle against the euro: Patrick Adenauer, the grandson of Germany's famous postwar Chancellor Konrad Adenauer (in office 1949-63). Patrick Adenauer is one of the 50 entrepreneurs from the small and medium-sized industrial sector (*Mittelstand*), who filed a constitutional challenge on Dec. 5, along with a call for an injunction to prevent the German government from spending a single taxpayer euro for a bailout of the banks of Ireland, before the court has ruled on the main case.