

European Court Hears Pringle's Challenge

by Claudio Celani

Oct. 29—On Oct. 23 the European Court of Justice in Luxemburg heard the case of Irish Dáil (parliament) member (TD) Thomas Pringle against the permanent bailout fund known as the European Stability Mechanism (ESM), following the decision of the Supreme Court of Ireland to refer Pringle's constitutional challenge to it. The judgment is expected by the end of the year.

The proceeding took place as Europe confronted a social explosion, with the entire euro system about to blow. Germany's Merkel government is rushing to hand over sovereignty to the Brussels bureaucracy, as the people of Greece, Spain, Italy, Portugal, and others, face life-threatening austerity and economic degradation, in an effort to appease "the markets."

Last April, Sinn Féin president Gerry Adams launched his party's "No" vote drive, in the lead-up to the May referendum in Ireland on the ESM and the Fiscal Compact.

"The choice is between austerity, and economic stimulus and growth," Adams said then. "The choice is between us handing over powers to unelected officials and bureaucrats in the European Commission and in the European Court of Justice, and allowing them to run this state, and to police fiscal as well as monetary matters. Or we can vote 'No' to this, and assert the right of citizens to elect or sack our governments; and for citizens to have democratic authority over those who govern us."

While the May 30 referendum passed, in mid-April Dáil Member (TD) Thomas Pringle (Independent) announced that he had begun legal proceedings challenging the government on fundamental aspects of the EU treaties.

Pringle's argument is that the ESM operates outside of EU law, and that the change of Article 136 of the European Treaty, which enables the ESM to override Europe's "no bailout" clause, was not properly enacted. This case was made by Pringle's attorney before the

entire European Court, at which, for the first time, all the justices attended.

The plaintiff accused the European Union of twisting and subverting its own law. European law forbids the bailouts of states, but now we have a permanent bailout fund, he said. To justify this, a sophism was introduced, i.e., that the ESM is outside of EU law—a treaty among individual states. But European law says that financial policy must be coordinated within the EU legal order. The attorney also touched on the disruptive function of the ESM through its liquidity injections.

Against the plaintiff, the EU put on a show of force, deploying representatives of each and every member country, plus the European Council and the European Parliament. Each of them spoke, repeating all the same arguments, eventually letting the cat out of the bag. The German representative said: You must put this into the broader context. If the legal legitimacy of the ESM is openly challenged, this will upset the markets, and it will be the end of the euro.

In an interview with *EIR* (see below), Pringle exposed the ESM as a fund to bail out the banks. "I think it's obvious, 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."

Asked if he would support a Glass-Steagall-style separation of the banks, he said, "We have to make the banks responsible for their own debts."