

The Euro Crisis and the European Fiscal Pact

By [Sahra Wagenknecht](#)

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The following is from an important speech by Sahra Wagenknecht , newly elected co-vice president and important theoretician of the German radical party Die Linke, during the June 29, 2012 Bundestag debate on the European Stability Mechanism (ESM) rescue package and the European Fiscal Pact.

At a late hour on Friday 29 June 2012, the Bundestag took two far-reaching decisions. The so-called European Stability Mechanism (ESM), better known as the bailout fund, as well as the Fiscal Pact, a treaty modelled on the socially regressive German “debt brake” law and a blueprint for social service and public sector cutbacks in Europe, were up for vote. 491 Bundestag members voted for the ESM, 111 voted against it, and 6 members abstained. 493 members voted for the Fiscal Pact, 106 voted against it, and 5 abstained. Only the Bundestag members of the Die Linke party voted unanimously against these anti-social legislative packages.

Because the Fiscal Pact is irrevocable and compels governments to implement a harsh policy of savings, these decisions set the course in Europe toward permanent reductions in social spending that will undoubtedly result in cutbacks to public services and the privatization of public property. At the same time, the ESM will make available massive amounts of money to safeguard the interests of banks and the wealthy. In her speech in the plenum Sahra Wagenknecht assailed the federal government for a policy that is driving all of Europe into ruin, and she directly addressed the Chancellor: “You are not saving the euro, but rather you are saving the euros of the millionaires.”

To read the complete speech: <http://www.socialistproject.ca/bullet/663.php#continue>

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