



Written by [Alex Newman](#) on November 7, 2011

EU Creates “Dictatorship” Under Guise of Financial Stability

Using “financial stability” as justification, the European Union is quietly plotting to foist a massive, perpetual bailout machine on eurozone members that critics say represents a “dictatorship” and a “treaty of debt.” But opposition to the scheme is growing quickly.

The initial “authorized capital stock” for the so-called European Stability Mechanism (ESM) will be close to \$1 trillion. But it can be expanded at any time by the regime in charge of the institution, which will operate completely above national governments and laws.



“ESM Members hereby irrevocably and unconditionally undertake to provide their contribution to the authorized capital stock,” notes [the draft treaty](#) posted on EU Council’s website. “They shall meet all capital calls on a timely basis in accordance with the terms set out in this Treaty.”

If the initial trillion proves to be insufficient — and considering the [debt-laden](#) governments ruling Italy, Spain, Portugal, Greece, Ireland, and other nations, it almost certainly will not be enough — the ESM’s Board of Governors can simply demand more. And national governments must hand over the money, no questions asked, within seven days.

In addition to collecting the money from European taxpayers on demand, the new entity will also be able to sell debt. “The ESM shall be entitled to raise funds by issuing financial instruments,” the treaty [explains](#). So, if national governments all go broke, the bailout machine can just print debt as it sees fit. It can also buy government bonds.

Beginning in June of 2013, the new institution will consolidate the [functions](#) of the European Financial Stability Facility (“EFSF”) and the European Financial Stabilization Mechanism (“EFSM”). Both of those bodies were sold to the public as “temporary” and “emergency” bailout facilitators as the euro crisis was building strength. But the idea is about to become permanent.

The new entity, set to be headquartered in Luxembourg, will be ruled by an unaccountable and unelected cabal of “governors.” And, according to the treaty, the regime “shall enjoy immunity from every form of judicial process” and “be immune from search, requisition, confiscation, expropriation or any other form of seizure, taking or foreclosure by executive, judicial, administrative or legislative action.”

But it will work with some outsiders. “The ESM will cooperate very closely with the International Monetary Fund (“IMF”) in providing financial assistance,” the document points out. National parliaments and voters, on the other hand, need not be consulted.

When a government is bailed out by the new fund, the ESM, the IMF, and the European Central Bank



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(ECB) will collaborate on creating a set of strict “conditions” to be imposed on the citizenry. Vague “macro-economic adjustment” programs, among other policy changes, would be required.

But even though the establishment press has barely mentioned the treaty, fierce opposition is building across Europe. And a [short video](#) produced by the German activist group Abgeordnetencheck has helped raise awareness about the scheme.

“Europe’s national budgets in the hands of one single unelected intergovernmental organization? Is that the future of Europe? Is that the new EU? A Europe devoid of sovereign democracies? Is that what you want?” the narrator [wonders](#) rhetorically before urging citizens to contact their government representatives.

Financial analysts have also blasted the scheme. *Daily Bell* editor Anthony Wile, for example, [referred](#) to it as “a totalitarian pact for a new European empire.” He suggested the elite might be rushing ahead with the plan, aimed at bringing in a “new world order,” before an increasingly awakened citizenry puts a stop to it.

“It [the new ESM entity] is to be entirely above the law while administrating billions or trillions of dollars as it sees fit,” Wile [explained](#). “The EU was sold as a trade association. Later on it became a currency zone. Now it seeks to become an Empire, complete with vassals and conquered territories sending unlimited amounts of tribute.”

Even some mainstream politicians and commentators have highlighted the dangerous scheme in recent weeks. Blogging for the U.K. *Daily Mail*, free-market supporter Alex Singleton breathed a sigh of relief after noting that Britain almost joined the single currency.

“Thank goodness the so-called ‘guilty men’ who campaigned for Britain to join the euro didn’t get their way. Because if they had, we’d now be on a truly scary path,” Singleton wrote, blasting the “amazingly anti-democratic nature” of the ESM in a piece entitled “[The European Stability Mechanism’s terrifying attack on democracy](#).”

Astute analysts have pointed out that the EU’s economic crisis was caused largely by centralization and central banking. But instead of decentralizing power, EU bosses and “eurocrats” have been threatening to impose ever-greater supranational “governance” upon the nations of Europe. And those threats are about to become a reality.

Like with the EU Constitution, rejected numerous times by voters, the people’s opinions seem to matter little. When the Constitution failed, it was simply re-named the “[Lisbon Treaty](#)” and rammed through by other means. The ESM, like the so-called “Constitution,” represents another large step in the total consolidation of power at the international level.

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