

Austria Raises Doubts about EU Bailouts

Contributed by Tom McGregor
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Conservative politicians in Austria intend to challenge ratification of the euro zone's permanent bailout fund, which could stop future bailouts of EU governments. According to Reuters, "Germany's top court is expected on Wednesday to rule that the European Stability Mechanism (ESM) and the budget pact that goes with it are compatible with its constitution and can go ahead, but impose conditions limiting Beijing's flexibility on future rescues." The Austrian parliament ratified the agreement on the fund in July with a two-thirds majority, which is required to amend the constitution, after the ruling coalition of social Democrats and the conservative People's Party received support from the opposition Greens.

As reported by Reuters, "that has prompted rightwing opposition parties which object to such bailouts in principle to seek to launch a constitutional court challenge to ratification via the regional government of Carinthia." Leaders of the Freedom Party of Carinthia (FP), the largest party in the southern province's ruling coalition, seek to file a lawsuit claiming that Austrian taxpayers should not pay for bailouts of indebted euro zone laggards. To read the entire article from Reuters, link here: Tmcgregordallas@yahoo.com