ALLIANCE FO§ DEMOCRACY

26th September 2011

To the
Members of the German Bundestag

Ladies and Gentlemen,

The decisions of the heads of state and government of 24th March 2011 on the European Stability Mechanism (ESM) and the Europlus package have done as little to defuse the Euro crisis as the measures of 21st July 2011.

The problems of the European Currency Union have continued to escalate until today to the point where the crash is inevitable. This development is being controlled as a billion-Euro business by rating agencies and their henchmen, the banks.

Greece, Portugal and Ireland have been downrated by the agencies to junk bond level; these were followed by Spain, Italy, Cyprus and the major French banks such as Credit Agricole, Société Générale and BNP Paribas, which were only downrated slightly. The USA has also been downrated. The assessment by Standard & Poor's was made at the beginning of August, at about the same time as the US Treasury Secretary Timothy Geithner declared the national budget of the country to be void. This stirred up the financial markets; stock exchanges recorded losses of up to 30%. The economic prospects remained poor.

At the same time, the ECB is buying up masses of non-performing government bonds in order to support bankrupt countries. One of these countries is Greece, which initially received € 40 billion and in the meantime is now being supported to the tune of € 150 billion. German President Christian Wulff recently questioned the constitutionality of the actions of a central bank supposedly working for the stability of the Euro. On the international level, the same thing is happening with the US Federal Reserve Bank, although in an amount many times higher. Here too the question arises of responsibility and legal punishability, since the conduct of both central banks amounts to simply printing money. The *Alliance for Democracy* will become active is preventing this.

On 29th September of this year, the German Bundestag will decide on additional rescue package contributions to the European Financial Stability Facility (EFSF); a substantial additional rescue package contribution will probably be decided for Germany.

This ratification serves only party-political interests. It supplants the care and renewal of the German social market economy. All efforts to put the European Union on a firm financial footing have failed. And despite the continuing 'AAA' rating of countries such as France, Germany, the Netherlands, Luxembourg and Finland by American rating agencies, all the countries of the EU are deeply in debt, and deserve a realistic rating. The award of the top rating by American rating agencies must come to an end. Agencies in Switzerland and China have come to the conclusion that Germany is worth only a 'CCC' rating.
The German budget, like those of all other Euro countries, is financed by loans. This fact however is hushed up by the press, because it, like the rating agencies, is profiting from the crisis. The plans, as reported in the press, to set up a European rating agency in opposition to the American agencies would make sense if it was not set up with the capital of banks and financial institutions. As shareholders, they will influence the management, boards and supervisory boards and also the ratings. A European rating agency operating in this way would be neither an independent body nor a new European model, as proclaimed in the press. The idea plays into the hands of all those who do good business in the competition for risk interest between unjustifiably high ratings and late downrating. Financial sharks promise high returns, which they fulfil with the aid of investment funds. Small investors are thereby deprived of objective returns, and suffer price falls when downrating is finally applied. These losses are guaranteed! The failure to put a stop to this development, which is one of the tasks of politics, and having to play along with such business because of its dependence, to the point of gambling with the welfare of whole countries, shows how powerless politics has become, and how hopeless must be their efforts, in view of the joint debt, to cling on to power. Analyses and ratings of European agencies, such as those in Switzerland or Norway for example, which give realistic ratings, are simply ignored. And unfortunately the press also subscribes to the motto: the financial crisis is happening in Greece, somewhere in Europe, but still far away from Germany. The crisis therefore increases their circulation figures, because reading about the sufferings of others is far more palatable than having to accept that Europe, including Germany, is bankrupt.

It is almost irrelevant when former Chancellor Helmut Kohl and former Chancellor Helmut Schmidt agree that the present German Chancellor, who as the party leader is responsible on behalf of the leading coalition party for submitting applications and resolutions in this parliament, appears to be clueless and erratic, and the former President Erwin Teufel points out that the leading coalition party is suffering from dwindling numbers of members and voters, so that they need a super-hero, and the Pope makes the call that politics should serve, and Josef Ackermann also says that bankers should serve, then it must be said that it was those politicians who also contributed to the mismanagement of Germany, and the bankers were always governed only by their greed. No Pope has ever been able to change anything about this.

Economics, with politics clinging onto its shirt-tails, are responsible for the creation of a European Currency Union which never properly considered its budgetary differences, never realised them and was unable to compensate for them. All the trade agreements and legal guidelines laid down for the national budgets of the European countries were sensible; but the idea of a centrally directed, united European state (on the model of the USA) could never be realised, because its basis, a common currency, was on shaky ground from the very beginning, because the countries, most of which were deeply in debt from the beginning, wanted to remain a closed community. A solid basis could only have been created by the devaluation of ailing national currencies before the foundation of the Euro. Nor could the problem have been solved by joint economic government from the beginning, as so often claimed by the press.

Kohl, Schröder and Merkel, as soon as they became Chancellor, ought to have revealed to the Germans, and in particular the members of the German Bundestag, after a cashing-up, what the actual situation of the Federal Republic of Germany really was, as well as the actual situation in Europe.

It is refreshing to see that Euro-sceptics arose amongst the ranks of the parties of the coalition government. It would be wonderful to see the parliament give up the idea of a united Europe and the Euro, and finally decide on the long-overdue expulsion of Greece, which submitted false accounts in order to be admitted to the European financial community.

If you as parliamentarians vote for the ratification of the current German rescue package contribution, just think that as part of your budgetary authority, you are contributing to the fact that Germany, which is already deeply in debt, will have to stand surety for a further € 253 billion, almost as much as the national budget for 2012 of € 306 billion. The total German rescue package contribution will then be almost € 1 trillion, which is almost half the German gross domestic product (€ 2.1 trillion).

We hope that the Euro-sceptics in the ranks of the CSU and FDP will be able to enlist further critics from the ranks of the CDU and also the other parties, in order to put a stop to the EFSF, and therefore also all the other excesses of the crisis, such as Eurobonds. A way out of the crisis would be wonderful, but it is impossible. Even if the highest German court, in its verdict of 7th September 2011, considered the rescue packages as safe and feasible, and laid down rules designed to preserve the budget authority of German parliamentarians, the crisis and the permanent devaluation of the Euro demand quick and uncomplicated decisions, which are based on the crisis, and not any law.

Consider when deciding to vote 'Yes' or 'No' that with your budget authority, you have passed budgets which do not comply with the Maastricht Treaty and the associated Stability Pact. You must not circumvent these agreements any longer.

You as a member of parliament should take to heart what the head of the Chinese rating agency DAGONG Global Credit Rating Co. said recently about the end of western dominance.

"The EU and America take up loans in order to stimulate their economies. They are thereby mortgaging any virtual profit which they might or might not earn for the sake of their creditworthiness and current consumption. That was their model with the Second World War, but this came to an end with the 2008 financial crisis. Through the continuing demand for fresh money, the system has gambled away its creditworthiness. The model of economic development in the Western and capitalist countries no longer functions. This gives rise to another question. Should these governments continue to take up loans in order to support their citizens and maintain high social standards? I believe that the answer is No." And to question of whether he considered China's economic model better, he replied:

"China is determined by the real economy, other than the USA, which depends heavily on the finance industry. If we want to draw lessons from the experiences of the West, then we should insist that the real economy generates value and money, and prevent the Chinese from lending too much money."

Do not make the mistake of arrogantly ignoring this opinion because China is a state which disregards human rights and remains closed to our western understanding of democracy. The time of ideologies is passed. It is time to look soberly at the facts.

As representatives of the people, you have the opportunity to work realistically towards a Europe which stands on a sound financial footing. It must be clear to you that the Euro can play no role in this. Do not cling any longer to the European fantasies of a German Chancellor

who wants to force a historic performance which cannot happen as long as the community of European states is supported by delayed insolvency.
Help to ensure that Germany no longer remains a self-service store for bankers and economic bosses, who use the facilities of the country at will for their own profit.
It is the poorest in the country who have to pay for this political madness and the associated business risks. Pensions are reduced, wages and minimum wages reduced, and VAT is increased. All these measures are the preliminary stages of a currency reform, and they have long since also applied to Portugal, Ireland, Italy, Spain, France and Germany.

The same situation will result in all affected countries of the European Currency Union which are on the verge of insolvency. All measures, including the amendment of the Basic Law on a debt brake, currently under discussion in Germany, mean that cuts have already had to be made in Germany.
The government must restrict its expenditure, necessary reforms, such as the reform of the Armed Forces, the reform of the education system etc. do not even get to the point of institution, the NRW was not accepted because of expected non-fulfilment. And this situation is already having its effects on the living standards of the German people. Financing loans with more loans brings only a brief moment of growth in the economy. The money continues to lose buying power, as shown in the purses of Germans at the end of every month.

You as representatives of the people can make a difference. Make a difference - vote NO! Shows people who pay your salaries with their taxes that law, morality and understanding still rule in Germany.