

23rd May 2012

To the members of the German Bundestag

Further to our letter of 19th May 2012, and because of the importance of the ratification of the German ESM law required from you, we would like to make the following remarks on the previously presented increase in interest commitments from € 37 to € 122 billion, which would further burden the German Federal budget. The value of € 122 billion represents the value in which in time lag the debts burdening the German Federal budget at an average interest rate of 1.7% will increase the maximum interest burden on successive transfer to Euro-bonds, and will increase further if the current interest rate (5.7%) increases for all Euro countries. In particular, if the interest curve (financial depression) manipulated by the central banks in the future again entails higher interest rates in the opposite sense and a much higher interest rate than currently should long since have been applied due to non-existing securities. This low interest situation brought about in concert by politics and central banks due to sufficient securities existing in Germany, which are not in fact available at all. This will definitely have to be stopped, even more so since the premiums/costs of credit default insurance are currently rising sharply; a clear sign of the demoralisation of investment in German stocks and bonds. In the event of the introduction of Euro-bonds, this situation will also cause German interest rates to rise, along with the composite interest rate in the European Monetary Union.

The current unacceptable low interest situation leads as described below, and because of the costs of delayed insolvency, by the erosion of savings to net interest which is nowhere near sufficient to cover inflation, so that this will also result in significant loss in purchasing power for the savings of all people in Germany (if indeed they have any savings).

Beginning with a resulting nominal interest burden of € 60 to 70 billion per year, the maximum rate of 3% of gross domestic product under the stability pact of the Maastricht Treaty, which is actually not intended to be exceeded, would have to rise again above this 3%. At this last composite interest rate currently of 5.7%, which could rise even higher for Euro-bonds in the future, this would bring about a drastic increase to more than one third of the total national budget – at the same time, the total debt would increase from approx. 85% to approx. 140% of gross domestic product, which would no longer be acceptable, because this would be beyond the set limits, and all

the more so the higher the composite interest rate increases, so that the situation in which Germany and other supporting countries allegedly now find themselves can only be referred to as a bankruptcy situation. The supporting countries, which will increasingly be burdened for generations to come by these votes and the underlying government proposals on which they are based – with the blessing of the Chancellor – but mainly people living today in the supporting countries, who will successively be forced into dire poverty by this delaying of insolvency, since they all have to bear the costs of this delay, probably in the form of tax increases.

Such a situation can hardly be described as solidarity. It helps the rich to get richer and sentences the poor to more poverty and creates more and more poor people. This policy is no longer acceptable!

We call on members who still want to follow their consciences and not simply toe the party line:

1. Both the party leadership of the members of the SPD and the Greens give a majority vote for Euro-bonds. The popular saying goes: They can't count in the SPD; even Willi Brandt didn't know how many noughts there were in a million.

With regard to the already announced majority support of the coalition government for the introduction of Euro-bonds, it must be said that also with regard to the current party leadership, taking into account all Chancellor candidates of the triumvirate Gabriel/Steinmeier and Steinbrück (former Finance Minister of the Grand Coalition), the impact of the changeover to Euro-bonds also could not be taken into account, because they cannot add 1 + 1 or 1 + 2 together and come up with the right answer. If now this majority approval is given, and the majority of all the members of the entire German Bundestag vote for the German ESM Act on Friday 25th May 2012 – the ESM already constitutes a total transfer union – this will result in similar costs of such considerable order of size, which will simply have to be passed on to the population (taxpayers) by the circuitous route of liabilities and rescue package payments. With the sole purpose that they do not have to appear officially as a further burden on the national budget. Nor can anything different be reported about the Greens, since they have also signalled their agreement.

The result in the event of a switch to Euro-bonds corresponds to the disclosure and the intended aim, also of the Alliance for Democracy, of an immediate currency reform, because the national bankruptcy thereby revealed means that if it is further delayed, there will be a further wastage in the quota remaining to

the people, and to their additional cost – with regard to future delay – for the period running up to the currency reform.

2. With regard to the main party of the government coalition and the relevant members of the CDU in the Bundestag, we would like to draw attention to a statement (Springer Verlag, 21.5.12) – which is interesting and important for all members – of the party group leader Volker Kauder about the words in the “Bild” (and thus misleadingly all Bild readers), that Mr. Röttgen intended to fight, and whether the coalition was afraid of a showdown with him:

“In the Union everyone can state his opinion, but for us who bear the responsibility, the following must apply: first comes the country and the people, then the party and right at the end, me.”

To the question from “Bild”, Kauder emphasised that the order of precedence applied as he had given it, when he was asked whether Röttgen had a different order of precedence.

The CDU and CSU have the word “Christian” as part of their name. It is well-known historically how many wars have been fought by the Churches, what abuses took place and how many lies were told.

Form your own opinion of the statements of Mr. Volker Kauder, irrespective of to which party you belong.

The result of the vote will show who amongst the members, with what percentage result in the overall vote, has taken a decision of conscience in the spirit of his office as a representative of the people of this country.

Former Federal President Christian Wulff, irrespective of all campaigns conducted via the press for illegally accepting benefits, has proven himself to be the only outstanding figure in political life, who was prepared to represent the interests of the people as promised in his oath of office, by announcing that he rejects the whole rescue package affair, and that on the basis of the freedom of decision guaranteed by the Constitution, he did not intend to sign a German ESM Act.

Agreement to the ESM Act by you would support the large number of undemocratic practices in a supposed democracy with absolutist characteristics and result in a European administrative dictatorship.

Regardless of this, ratification by you will mean that the new President will have to make a previous decision and also the Federal Constitutional Court as the highest German Court of competent jurisdiction.

When considering your decision, you should note that the Vice-President of the Federal Constitutional Court, Ferdinand Kirchhof, in the *Welt am Sonntag* and the *Welt* from 3rd February to 5th February 2012 said that a greater number of rescue packages – the number of which is unlimited in the ESM Act – must fundamentally be brought into question.

Another Constitutionalist, Mr. Christian Kirchberg, points out that in a casino game – nothing else has been allowed so far in connection with the rescue package Act and the associated politicised jurisdiction of the Federal Constitutional Court – the bank always loses.

This opinion had not so far penetrated to the parliament and the Federal Government, which with your majorities has made all the people of this country into casino players against their will. And the Federal Ministry of Finance knows no other position in response to a petition to the German Bundestag other than to note that the debt brake introduced by you might be invalidated if an emergency situation occurred, and payment obligations arising from rescue package guarantees and guarantees by Germany to supported countries came into effect. Although however this emergency situation can be no such thing, because it had to be deliberately planned by your vote in the German Bundestag, and therefore depended not only on the will of the Federal Government, but most importantly on you and your will – in other words an emergency situation which you brought about in parliament.

Perhaps these considerations will stimulate thoughts for many members, of whichever political persuasion, which will lead to a true decision of conscience, for the benefit of the people of the country, for an individual vote against the often demonstrated will to party-political voting.