

**On the way to direct democracy**

**Alliance for Democracy**

**ALLIANCE FOR DEMOCRACY**

“But is it really careless  
to believe in the future today?  
Is it not rather a sign  
of great vitality?  
Is it not a privilege  
of the foresighted,  
the imaginative,  
those gifted with fine sensitivity,  
not simply to weather decline,  
but to live it?” to sense, perceive

Luise Rinser, 1946

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## **Introduction**

In the 'Welt am Sonntag' of 8<sup>th</sup> May 2011, Horst Seehofer asked "Where is the revolution?" It may be that Seehofer's sense of humour is a strange universe, it may also be that Seehofer's question was meant seriously, however we of *Alliance for Democracy* also want the revolution. A quick revolution, a non-violent revolution, like the jolt that Roman Herzog called for in 1997, this jolt that must shake all of Germany, so that all faint hearts are turned in a moment into the hearts of lions.

Seehofer must have known of the German tendency to form associations, they love a good breakfast, together with newspapers, which spare these rituals from unpleasant truths. And amidst these rituals, two prophets call for a jolt, and for a revolution - but by the day after all the fine words, we return to the rule of abuse of power, greed, corruption, destruction of the environment, irresponsibility, war, terror, violence, mobbing. It would surely have taken vast amounts of fairy dust to fulfil this recalcitrant longing of Mr. Herzog, although we all know that in this world of ours, fairy dust is in short supply. So there is no revolution, but where should it come from? Now, here it is!

Its name: Direct democracy.

*Alliance for Democracy* calls for the introduction of such direct democracy in Deutschland. This will not turn faint hearts into lions, after all we are not magicians with unlimited supplies of fairy dust, but from this change we are hoping for a Germany

in which children are brought up to think, where performance is rewarded according to results, and a preferential treatment provides just as little protection against punishment as does stupidity. And the name of this non-magic remedy: Respect. Respect which everyone should have for themselves, and also respect which everyone should show for their fellow man. Another ingredient in this new way of thinking is humility. Humility before one's own thoughts and actions, and humility before what other people think and do.

*Alliance for Democracy* is a loose association of friends, which is independent, nationwide and non-sectarian, and which is working to ensure that political and economic abuse are prosecuted as criminal offences, and that politics on credit comes to an end by prompt currency reform. We feel ourselves bound to all other people who are fighting not just for these goals, but also for codetermination, the involvement of the individual, and against politicised legislation.

We want to contribute to creating a different Germany; a Germany which in addition to legal, economic and scientific principles, is also home in particular to humanity and the will to codetermination. With this motivation, we believe that democratic awareness can be reborn in Germany. And that politics should be guided by this awareness.

## **1 Democracy**

The majority of Germans were against the commitment of German forces in the Iraq war. This opinion was expressed by countless demonstrations and light chains.

When Chancellor Gerhard Schröder, in a government announcement of 29<sup>th</sup> October 2002 before the Bundestag, said that Germany would not take part in any military intervention in Iraq, those peace-lovers must have breathed a sigh of relief. Yet the government went on to support this war, as part of its alliance obligations, as it declared at the NATO summit on 21<sup>st</sup> November 2002 in Prague.

About-turns like this can be found in profusion; every Chancellor has suffered at least one such derailment.

Article 20 of the Basic Law of the Federal Republic of Germany states: Germany is a democratic and social state (Paragraph 1). All power of the state comes from the people (Paragraph 2). Amazing, since the people appeared not to want any involvement in the war, and yet the Schröder government allowed NATO troops transport facilities and overflights, and Germany therefore served as a so-called supply base.

Is that democracy?

Yes, at least if the definition is considered more closely. 'Democracy' comes from the Greek. 'Demos' means the people, 'Kratia' means rule. Ancient Greece was ruled by aristocrats or plutocrats, while the people had hardly any political influence. This highlights the problem: Democracy does not mean the rule of the people, but representation of the people, with the representatives (in the best case) being elected by the people.

The misunderstanding of wanting to interpret the term 'democracy' as rule of the people originates from the era of the Enlightenment and philosophers such as John Locke (1632 - 1704) or Charles de Montesquieu (1689 - 1755), who in his book

'The Spirit of the Laws', published in 1748, wrote that in a state, power must be limited by power, since experience teaches us that people always tend to abuse power, whenever they have it.

In order to avoid dictatorship, Montesquieu determined: In a state there must be three powers, the legislative, the judicial and the executive. Montesquieu attached to these thoughts the proviso that these three powers must act independently of each other.

This principle of Montesquieu continues to apply to today as a success formula for the states of the western world. It is also reproduced in a similar way in the Basic Law of the Federal Republic of Germany (Article 20 GG): Legislation is bound by the constitution, the executive and the judiciary by the law (Paragraph 3).

The unlucky fellow with regard to the historical reinterpretation of the term 'democracy' may, naturally only on this point, have been Jean-Jacques Rousseau (1712 - 1778). His guiding principle "All state power comes from the people" may have sprung from a joyful vision noted down by a sleepy clerk as a fundamental truth. The fact is however, as in the times of the ancient Greeks, that the political influence of the people in the German parliamentary democracy is low.

Apart from all discussions over what democracy is intended to achieve, the philosophers of the Enlightenment spoke of the obtainment of freedom, and the rulers of the western world, who are permanently occupied with representing the will of the people, in order to orientate the objectives of the state accordingly, the main task of a democratic system today is to protect minorities against majorities.

It would be idle and probably hardly feasible to completely forego democracy in favour of another form of government. Whatever form such a government might take, the human factors of greed, envy and hate could not be eliminated from the equation.

In this sense, *Alliance Democracy* sees the framework for a democracy which is not intended solely to restrict the power of politicians during their term in office, because this would inevitably result in every office-holder being primarily interested in the preservation of power over this period.

Party work cannot therefore be managed pertinently. The interests of retaining power always assume the leading role. And it costs money, always to have to reverse the decisions and actions of the preceding government, and this leads ultimately to all thought and action being directed solely towards the next election, and not towards the further future.

And furthermore: As long as the national budget spends more money than it takes in, and the debt created by loans and repayment obligations burdens the state's financial resources far beyond the terms of office of innumerable legislature periods, no future can be created in which the state is able to invest in progress and research, in healthy buying power or the social security of the people of the country.

Whatever common features unite the democracies of the individual countries, such as

- the division of power (judicial, executive, legislative);

- the constitution (fundamental rights of the population, structure of state organisations, their tasks and authority);
- laws (civil law stipulations on rights and obligations of all citizens, criminal law stipulations, which specify offences and penalties, and laws on special subjects which concern the state, such as environmental protection, agriculture, energy supply);
- ordinances (government edicts on how laws are to be applied);
- parties and elections,

there remains one major difference between the forms of presidential democracy and parliamentary democracy with regard to direct democracy: the possibility and the ability of the people to influence the decisions of the decision-makers. This right to a voice, in the form of opinion polls and referenda, which are recognised by the constitution as binding, must be established and practiced in Germany. The people must no longer be forced to function simply as voters.

## **2 The vision of Alliance Democracy**

As an association of like-minded people, *Alliance Democracy* has decided to take the initiative. We do not intend to found a legal Association, nor to seek any other legal form as a framework for our work, since for us this matter stands at the fore. The individual should be able to contribute his experience, opinions and capabilities, although still working independently and under his own responsibility in the sense of the matter. The principle is: To serve. This principle, in the opinion of *Alliance Democracy*, should be reintroduced and practiced in every sphere. Above all, civil servants and the responsible persons in the fields of the economy and education, should serve, or learn to do so, if they have forgotten how, or have been blinded to this responsibility by the power structures in which they function.

It is now known where we stand, and what are the goals and objectives of *Alliance Democracy*. The most important aspect of our work, the analysis of the ailing and rotten German economic system, which is piling up debts faster than any time in history, and which lives on loans in order to pay off other loans, can only find an end in currency reform.

*Alliance Democracy* assumes that the next currency reform in Germany (after 1871 to 1873; 1923 to 1925; 1948 in the western zones and the Soviet occupation zone of Berlin; 1957 in the GDR; introduction of the Euro 1999 to 2002) is imminent.

This would get rid of the Euro as the currency, or at least decouple it from the obligations of the confederation of the 17 Euro countries. In order to then be able to operate a social market economy, the whole direction must be changed, with the support of both politics and business. To this end, internal policy must be reformed with regard to matters of finance and budgeting, irrespective of election periods. It would be highly desirable in this respect if all those responsible in the world of politics could draw up a corresponding policy, over and above all other party interests, and implement this through a parliament which would act accordingly, i.e. by serving.

In order to be able to achieve this, there should be a committee at a higher level than the parliament, which should be involved, and have the final say, in all decisions, such as the already existing Council of Experts for the assessment of overall economic development, also known as the 'five wise men of economics'.

Formed in 1963, this committee publishes annual independent assessments on the overall economic development, which should enable all economic policy authorities

to assess and evaluate the economic situation. These analyses form the basis for the annual economic report, which is presented by the relevant government at the end of the year. The government can also commission special assessments from the Council of Experts, if the financial needs of any particular area appear to be unviable or unfeasible.

This procedure must come to an end.

Instead of commissioning assessments, the government should give an account of the location of financial resources and their use. The Council of Experts, or a similar committee above the level of the government, should with its analyses and forecasts be the determining aspect in the formulation of the economic planning of the national budget. And the Parliament must also first obtain the agreement of this committee, before legally valid decisions are made.

The finance committee must not have any parliamentary rights; its work would be controlled by the Federal Audit Office. The work reports would be made available to the public in the so-called annual White Papers. Over the course of time, complaints would naturally become fewer, if this finance committee has the last word over the parliament on all decision relating to finances, and all fundamental questions of finance and financial effects. This finance committee must be subject to the will of the people. No member of parliament could be represented on this committee.

In order to make these objectives legally binding, corresponding additions or amendments must be made to the national constitution and those of the federal states. Clear tasks and descriptions of obligations, and corresponding liability in the event of breach of these obligations, would be basic requirements for this committee

in the broadest sense – and in the best cases even a management liability extending beyond the stipulations of the Companies Act.

Only in this way can we avoid having to make a new start every 60 years or so, following currency reform, brought about by a policy of waste and mismanagement. A decoupling from this wasteful policy, which is still allowed by our basic law, instead of creating a true social market economy, can be postponed no longer.

In 2003, Switzerland introduced the so-called 'debt freeze', after a corresponding popular referendum came into effect in 2001. By this constitutional regulation, the state was obliged to keep income and expenditure in balance over the economic cycle. The net assets of the state have since been protected, and a brake applied on incurring further debt. In Germany, where this very calculation of the nation's net assets is required by the constitution, it is not calculated at all. An unbelievable omission!

In the stability and growth pact of the European Union (to which Switzerland does not belong), the member states have committed themselves in principle only to incur new debt at a level of 3% of GDP, and a total debt level of no more than 60% of GDP. Since Germany has often 'massaged' the figures during the years of the Euro, in order not to exceed this limit, the Bundestag and Bundesrat in 2009 also decided on a debt freeze for Germany.

According to this rule, the structural, i.e. non-cyclical borrowing by the state should not exceed 0.35% of the gross domestic product.

In Switzerland, the debt freeze, which was decided by the people, contributed to reducing the national debt.

In the year of the financial crisis of 2002, Germany and Switzerland had national debts which were approximately equal. In the following eight years, the German national debt increased by almost twice the level by which the national debt was reduced in Switzerland.

Comparison of the total national debt of states (in % of GDP)

Year	Switzerland	Germany
	with referendum	without referendum
2002	57.2%	60.3%
2010	47.8%	83.3%

In addition, the level of unemployment in Switzerland fell, while in Germany it increased again.

Unemployment

Nov. 2009	4.2%	7.7%
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Switzerland has to date had no currency reform - while Germany has had several. Orientation along the lines of the 'Swiss model' would be highly desirable for the Federal Republic of Germany, although this should not be simply a mechanical copy. It would be much more important for the Germans to concern themselves with their political future.

Discussions, discourses and results should form the basic framework for a different type of democracy. Switzerland could therefore serve as an example.

The emergence into another democratic Germany, which presents East and West to the world in a new light, with a new common anthem, a different flag, a revised constitution, must happen without delay. The Germans will otherwise miss a unique opportunity to determine their future, in a united Europe or ideally as a self-determining member of a confederation. Solidarity, stability and equality of opportunity would in this way be realised. The possibility for equal partners to determine their lives, and have control over their lives sounds very tempting. Switzerland is currently the only country in the world to offer the possibility of discussing and making decisions on problems occurring in the direct democratic and federalist system by the whole of society. This method however is not transferrable on a one-to-one basis. In Germany, the will towards codetermination must first be awakened. And this is what *Alliance Democracy* is calling for. It would clearly be well worthwhile to drive useless politicians out of office, and to replace them with people of action, who are dissatisfied with the current situation, and are not afraid of taking radical measures when the situation demands it.

Today's politicians are administrators; they are paid by the people, who allow mismanagement through lack of interest. It is however the concern of every individual whether the state goes bankrupt or not. Instead we suffer the rantings of politicians with sometimes extremely dubious origins, titles and offices. Believing themselves safe in office, they make bogus claims with nothing else in mind but narcissistic lust for power. If they really wanted to serve the state, they would be capable of more reasonable actions, and would not accept jobs which bring them a good salary and reputation, and perhaps an entry in "Who's Who", which paraphrases their historical

performance, a performance which is not necessarily to the benefit of the people. And all this at the cost of the tax-payer.

Germany cannot continue any longer as a self-service store for bankers and moguls of industry, who turn the resources of the state into their own profit at will, and use politicians as their tools, and the press as spokesman, to present this greed for profit to the public.

Politicians should be servants of the state. It would be idle to hold them personally responsible for their mistakes with their personal assets, because anyone who wilfully and knowingly breaks national treaties, and fritters away vast sums, and therefore all our futures, on nonsensical projects abroad, will hardly be able to be held liable for a sum in anyone's private possession.

A first step could be pension reductions of so-called civil servants, in order to at least make the finances of Germany look a little healthier.

It is time for us to emancipate ourselves from professional idiots (with sometimes ideologically tainted "expertise"). The country pays for a masse of auditors, buildings and administrations of many institutions which are intended to serve for state control. But there method of operation and efficiency are useless. And too many of us still allow it to happen! And we all have to pay for it!

The German Bundestag is made up only of failures, as can be said with justification by every German and every new immigrant to Germany. These members of parliament have created more zeros in the truest sense of the word, namely twelve zeros, with total debts of over ten trillion at the end of 2010. This is how many zeros a trillion has.

One small comfort - there are only 600 members of parliament. For how much monetary mismanagement and destruction of future buying power is every member of parliament responsible? This is almost impossible to calculate, unfortunately. And what about politicians like Willy Brandt, of whom it is said that he didn't even know how many zeros there were in a million. But even in his ignorance, Willy Brandt still achieved the best results, as long as it was a matter of national debt and the level of annual debt repayment in relation to the annual increase in the economic growth rate in percent.

The greatest wastrels were former Chancellors Helmut Schmidt and Helmut Kohl. So can we reproach these members who depend on their existence, who get most of their drafts from the political upper class and are directed by them? Particularly since this is not a case of financial and business experts or budget specialists, but employees in public service and civil servants. They should have more expertise when they reach for such a position, and they should also have a little more backbone when it comes to changes in the systems.

In this connection it is important to finally shrug off the German mentality of confidence, the idolisation of those at the top and the hope that these people will sort things out. We must be prepared to defend ourselves against uncontrolled political power (including assumed lust for power) with regard to the still valid statutes of German Basic Law.

### **3 Obstacles to a different type of democracy in Germany**

#### **3.1 Political mafia**

The press recently reported on refugees from Libya, Tunisia, Eritrea or Somalia, who had sought asylum on the Italian Mediterranean island of Lampedusa. Under the heading 'Politicians accuse Italy of "Mafia tactics"', the report described the efforts being made by Italy to get rid of the asylum-seekers to other EU countries. These European allies thought that these refugees should return immediately to their home countries, since they were economic refugees. The CDU as the German government coalition party wrinkled its nose over tourist visas which had been issued to the refugees, so that they might eventually be able to travel to Germany. In this connection, one CDU interior expert even accused the Italian government of "extortionist methods as otherwise practiced only by the mafia".

It is interesting that politicians within Europe accuse each other of mafia methods, when the popular saying goes that the real criminality and mafia are sitting in the government capitals not only of Europe, but all over the world.

#### **3.2 The self-appointed elite**

Narrow-mindedness may be just as much in the blood of the Germans as the tendency to form associations. When these passions are compounded by narcissism and the longing to enhance the narrow 'petit bourgeois' format, in order to accede to well-paid public offices and honours, the question must be asked as to what extent such efforts are actually harmful.

Offices and honours should be filled by people who are actually able to fulfil the office (qualitatively, which means in particular education and expertise) and want to fulfil the office (people who can serve).

In addition to many incorrectly occupied offices, there is also the class of the self-appointed functionaries and elite. For example there was the Heidelberg Professor Paul Kirchhof, who had already tried to ascend into the hemispheres of importance when Gerhard Schröder still ruled Germany. Schröder had no interest in Kirchhof and no use for the Kirchhof tax model. Kirchhof issued a few angry words through the press on the position of the SPD and waited. Ultimately the same applies in politics as it does in football: After the election is before the election. The person elected was Angela Merkel, and she had plenty of use for Kirchhof, and was even well on the way to appointing him Finance Minister; in these times, Kirchhof was considered a miracle-worker of a revolutionary tax reform. But then the fanfares became quieter, until they were finally muted completely, and when in the first half of 2006 the Bundestag and Bundesrat (the states were still negotiating a compromise on the financing of public transport, and finally gave their assent) passed the highest tax increase since 1949 for the restructuring of public finances (and it may only be by chance that the football World Cup in Brazil intervened so publicly in events), Angela Merkel thanked Kirchhof for his good work.

The total of the additional taxes and savings measures was to be € 28 billion; the increase in VAT from 16% to 19% was to bring in € 23 billion.

Besides VAT, insurance tax was also affected by the savings measures, as well as the salaries of civil servants, the so-called commuters' allowance, child allowance, the savings allowance, premium payments such as Sunday and holiday payments, and

surcharges for night-work, but also pension, health-insurance and care insurance premiums. Perhaps Kirchhof was surprised by the slightly ambivalent decision of the Lady Chancellor, at least he thought again about his appointment as Professor for State and Tax Law, and may have felt himself to have been demoted, but in the academic world they are revered, the elite and the excellencies, who build theoretical sandcastles, about which the people know nothing.

The simple fact that universities can be designated as elite universities confirms the incapability of academic thinking. The need to be special causes no damage in the mind of the normal citizen, because what emerges from cloud cuckoo land is generally so incomprehensible that it attracts no attention whatsoever. What is worse is the advertising of the party, which as the FDP did, referred to itself as the party of the "higher earners". The proportion of 14% of voters who exercised their right confirms that the German longs for such a sense of belonging, and it benefits Germany little how well this slogan appealed particularly to the wider electorate.

In the same way as Paul Kirchhof once put his foot in it, so also did Baron Karl-Theodor zu Guttenberg (CSU) and Silvana Koch-Mehrin (FDP), who did not need any titles for their work in responsible positions. The post-war generation may be forgiven for this lust for titles and importance, but are the Germans still so dazzled and blinded that they demand additional titles and approbation from young, talented people, who with their education and their charisma could have dispensed with the title, and have rendered sterling service through their work over the years.

It must no longer be the case that in such circles, everything must already be achieved before a stroke of work is done. Nobody acquires glory with a title, particularly not if it has been obtained by fraud. When such talents consider it necessary to lie for the sake of their careers, what consequences does this have for the people they represent as agents of a chancellor or as the chancellor himself?

*Alliance Democracy* thinks that applicants for corresponding offices should demonstrate their qualification exclusively through their work. Lies, deceit and lame excuses show what a political game this has become. Incidentally: other people work for their money, and if this work is unsatisfactory, they are dismissed, if they commit fraud, they are punished.

As the word citizen implies, the people of a country stand surety for how their popular representatives act - the people should get back into the act; popular representatives have failed, as long as offices are filled in this way; they must fail, because entanglements, structures and general acceptance allow nothing else.

### **3.3 The example of the USA**

The comparative figure to the € 10 - 12 trillion total debt of Germany for the USA, with a population almost four times that of Germany, is € 60 trillion of total debt.

This is much more than the multiplier of the population figure. The USA is in debt to a level far exceeding the level of German debt. The USA is printing money as fast as the presses can go; in Germany this has so far been kept in check by the buying up of large volumes of non-performing government bonds by the European Central Bank

(ECB). It must be hoped that the example of the USA in this matter does not spill over to Germany.

### **3.4 The Euro at the abyss**

The press has long kept silent on the subject of the Euro crisis, because it has so far benefited from it. A documentary by the station 3Sat was however one of the first in the German-speaking region to thoroughly investigate the situation of the Euro ("The Euro at the abyss", first broadcast: 9.12.2010).

It was first explained how Greek politicians had succeeded in embezzling billions of Euro, how the fraud was discovered in 2004, and how, despite this fraud, loans in the amount of € 10 billion were still granted for the Olympic Games in Athens (13. to 29.8.2004) for sports facilities which have since been left to rot, and which since Greece's bankruptcy cost the European Currency Union € 1 million every day in interest.

In the first half of 2010, the financial markets discovered that Greece must also have falsified other figures. The Finance Ministers of the countries met and decided, in order to save the Euro, to rescue Greece with a further € 110 billion.

The former German Finance Minister Theo Waigel stated in the documentary 'The Euro at the abyss', that the common currency, in combination with the Maastricht Treaty and the associated stability pact, would prevent a decline into the old rut of inefficiency in 12 European countries. This was why the debt limits had been established.

He criticised the fact that as a result, no punitive measures came into effect for exceeding these limits, and that the limits set on the introduction of the stability pact itself, according to which the stability of the Euro could only be guaranteed if the limits were observed, had already been exceeded by the initiators of the plan, and to levels which unmasked these limits as dilettantism.

If the original intention of the Euro-inventors is to have been correct, that the Euro would only remain stable if the set limits were observed, than the contention is already proven: since countries such as Ireland have exceeded the 60% total debt limit, which now stands at 230% of the GDP, and even Germany, as the strongest economy in the European region, passed the 60% limit in the year 2010 with debts of over 83% of GDP, it is pointless to discuss how much the Euro at the abyss.

The Finance Ministers of the European countries decided within the Currency Union, that no sanctions would be applied for exceeding the limit. The Currency Union was therefore a pact, which was intended to create confidence amongst the people of the participating countries, in order to establish the new currency.

This confidence, if it ever indeed existed, was quickly abused. The only politician to speak out indirectly for the punishment of those who exceed these limits has been the former Finance Minister of Austria, Karl-Heinz Grassler, who has since come under fire from accusations of abuse of office and breach of official secrecy.

Greece would accordingly have to have been sanctioned immediately, and barred from the community, but no such move was made. Since this non-decision of the

Finance Ministers, the stability pact has been just so much waste paper. The Kohl government in its last throes contributed just as little to the rescue or stability of the Euro as the Schröder government or the Merkel government. Perhaps former Chancellor Kohl wanted to keep a back door open for himself, without shouting from the rooftops that the limits had already been exceeded by Germany and France, which had already happened by this time, but was hardly possible to prove.

*Alliance Democracy* nevertheless points out: According to the EU Constitution, it is considered illegal to support poorer European countries. The rescue packages however demonstrate that in an emergency, every country of the European Currency Union enjoys such support. If this were to stop, the acute crisis would be stemmed. If further rescue packages are agreed, the Euro will crash all the sooner. Perhaps the political benefit is worth such a crash.

The effects of this political madness and the associated commercial risks – see Greece – will fall on the shoulders of the poorest. Pensions will be reduced, wages and minimum wages cut, and VAT increased. All these measures are the preliminary stages of a currency reform.

The case of Greece is already a type of small currency reform for some of the people of Germany. They must accept 40% as part of debt rescheduling in losses for Greek government bonds, and not only they, but all Greek citizens and people in Greece, must accept losses, which are in no direct proportion to their earnings. And they must accept his losses, because as part of the rescheduling and revaluation, savings

measures must be applied as a pre-requisite for the granting of loans, and implemented in future.

The same situation will necessarily occur in all other affected, highly-indebted countries of the European Currency Union standing on the brink of insolvency. It remains to be seen how vocal will be the protests of the people of these countries.

All measures, including the amendment of the Basic Law on a debt freeze in Germany, mean that cuts have also already been made in Germany.

The German government must restrict its expenditure: necessary reforms, such as the reform of the armed forces, the reform of the education system and others never even get off the ground, the budget in NRW was not accepted, because it is expected that it will not be able to be met. And these effects are already telling on the living standards of Germans. Financing loans with more loans brings only a brief period of economic growth. The money continues to lose buying power, as is shown by the pockets of Germans at the end of every month.

It can hardly interest a whole people whether the Euro as the currency is in itself a good thing. People are interested much more in what they can buy for the money they earn. How much they can save, how long their savings will last, and for what purpose. With regard to the countries of the European Currency Union standing on the brink of insolvency – and other European countries outside the Currency Union, such as Great Britain, are also on the brink of insolvency – the community can only hope that it can find enough money to meet these needs.

And it is also a question of how long a people can be prevented from asking questions and taking measures. No political whitewashing can help here, nor any advertising by the government for its work in national campaigns (see "Open letter" at [www.menschenfuerdemokratie.de](http://www.menschenfuerdemokratie.de)).

### **3.5 Helmut Schmidt - The currency is good**

In the periodical 'Die Zeit' of 5.5.2011, Helmut Schmidt, former chancellor and co-publisher of the periodical, claimed "We have no Euro crisis, but a crisis of the European Union".

Schmidt concerns himself in his article with a piece by Jürgen Habermas, who also gave his opinion on the subject of the Euro in the 'Süddeutsche Zeitung' on 07.04.2011. Schmidt attributes Habermas with many accurate comments, but on one point the ex-chancellor differs: Habermas wrote of a Euro crisis. Schmidt does not see this at all.

But there is a crisis, and it is a crisis of the currency, and also a crisis of the countries. How both poles affect each other will not be dealt with here, but the fact that they affect each other is incontrovertible.

The polemic Harvard historian Niall Ferguson also spoke a few days before Habermas in the American Newsweek of the 'disintegration of the European Currency Union'. He asked who it really was that had brought Europe to its knees, and arrived at the conclusion: The German voter was the guilty party.

Polemic nonsense, wrote Schmidt in 'Die Zeit' Yes, as far as the tone is concerned, says Schmidt and unfortunately also as far as the message is concerned.

Schmidt claims the Euro is inwardly and outwardly more stable than the American Dollar, the inflation rates are significantly lower, and the exchange rate is high.

In the 12 years of its existence, claims Schmidt, the Euro has even been more stable than the German Mark (in its last 12 years).

This finding of Helmut Schmidt is irrelevant, but if a collapsing currency like the Dollar is compared with another currency, one thing must not be overlooked: the comparison currency is a crash currency, in the same sense that this applies to the Euro.

Whatever Schmidt says, the fact is: In both countries, money is in effect being printed, thereby fuelling inflation. Both currencies are at the same time weakened. The fact that the Euro is still the more stable of these two currencies is certainly indisputable, but the USA was a little quicker in its mismanagement than the Euro zone, including in particular Germany. Ireland, Greece, Spain and Portugal have shown where this path leads. It leads downwards into a spiral of debt, where loan financing has to be supported by more loans. Unfortunately Helmut Schmidt mentions nothing about this in his article. And yet: The downwards trend of the above countries reflects the trend for the whole EU Currency Union.

Attempting to conceal these matters through prestige is nothing other than fraudulent labelling. To speak of a Euro crisis would create mistrust, as Schmidt calls it in his article. According to the former Chancellor, this would not only be frivolous, but also harmful. This is one point of view.

The task of the press is to inform the public, even if the contents of the message might trigger mass hysteria or be undesirable for a political point of view. It is also the task of journalists to inform the public if the subject does not even interest the reader.

Journalists have an obligation to inform, the reader has the right to decide. Here the press has given a further example of to what extent misinformation contributes to mass still dedication.

The following must apply: there must be fundamental mistrust of politicians. And also of those who manipulate politics and policies in order to keep the voting 'cattle' happy in their meadows and stalls until the day of slaughter. A deceptive happiness.

The picture painted by Helmut Schmidt in the course of the report as to what the situation would be like if a country were to leave the European Currency Union, and then what would happen with the Euro, even if this country was Germany, which would then upgrade a national currency and the associated level of unemployment, are all idle considerations.

Ultimately it would be as follows: All countries of the European Currency Union were mismanaged before the formation of the union. More or less. And every one of these countries has attempted, through the possibilities offered by the new currency, to conceal the national debt of their own country. It helps but little to acknowledge, as Helmut Schmidt emphasises in his report, how incapable of action the European Council is, and with it the councils of ministers, the European Parliament in Strasbourg and the 27-man Commission in Brussels. Schmidt admits to mistakes. He speaks of inadequate decisions, which led to the Maastricht Treaty and to the stability pact, which was leaking like a sieve as soon as it was formed. Helmut Schmidt also acknowledges this, and thereby contradicts himself. In contrast to his initial claim, he must now admit that something was rotten in the European financial alliance, and

from the beginning of the Currency Union was not channelled so as to ensure a sound currency.

How can any currency be sound which is subject to continual erosion of buying power, even if lower than at the time of the D-Mark? It is a matter of saying that the Euro is in a crisis because it started so well, at least from the political point of view. Perhaps the Euro would not be in such a deep crisis today had not all the states of the community wanted to take advantage of it and survive politically for longer than otherwise possible.

All that the Germans can do, like all other Europeans, is to tighten their belts further. At least as long as there is no immediate currency, which would have to take place in every state of the Currency Union. Unfortunately the world politics, and apparently also economics, insist on sticking with the Euro.

Greece, the first Euro country of the community to go bankrupt, is also a pioneer on the road to debt rescheduling actions. The country is giving away what it no longer even has to give. In order to be able to repay the loans promised to the country by the other member states, there are no possibilities of obtaining money, even after the reduction of the interest rate and the extension of the repayment periods.

In order to save the currency, the German government is chipping away at state expenditure, as the governments of the bankrupt EU countries of Greece, Portugal, Spain and Ireland have already done. They think they are saving something, but Germany will have to follow the example of its predecessors. If the currency was reformed today in Germany, the quota would be similar to that of the currency reform of 1948, at 10% (1 D-Mark for 100 Reichsmarks).

Every day that passes without such reform contributes to the collapse of the currency. Even tomorrow, a rate of between 10 to 20% would apply.

The more measures that are taken, such as additional securities and guarantees, or even cash payments from assumed loans and interest on these loans from further loans, the greater is the likelihood that the quota will fall. The buying power of the Euro in every country of the community declines further with every new rescue package commitment.

### **3.6 Debt freeze and rescue packages**

In the year 2009, Peer Steinbrück, in the course of the negotiations on the economic package, with which the then coalition of the SPD and CDU wanted to rescue the German economy with € 50 billion, used the opportunity to apply a debt freeze. To enable the country, the states and communities to get by in future without income from loans, they would only be allowed to take up loans of a maximum of 0.5% of the GDP. In the year 2009, this was € 12.5 billion.

Although the SPD Left has called for greater latitude (0.75%), the Federalism Commission II passed what Steinbrück had requested, The change was also to be incorporated as an amendment to the Basic Law. The corresponding amendment of Articles 109 and 115 was prescribed from the year 2009; as part of a transitional regulation (Art. 143d, Para. 1 GG), it was decided that deviations would be possible for the state up to and including the year 2015, and for the federal states up to and including 2019. With regard to the so-called poorer federal states (Berlin, Saarland, Bremen, Sachsen-Anhalt and Schleswig-Holstein) it was to be possible, by means of

consolidation measures, to make the debt restriction feasible from the year 2020.

Peer Steinbrück agreed to these conditions in view of the economic crisis. A stability council was to be formed to monitor the budgets (Art. 109a, GG) and prevent emergencies. So much for the theory.

The interest payments of the state amount to € 38 billion, as was reported in the press; in the year 2014, this expenditure will rise to € 50 billion. Even this is only an example calculation, for who knows what the situation will be like in four years.

It can however be said: In the year 2010 the budget deficit was not € 80 billion as feared, but only € 44 billion. Although these figures sound good, these € 44 billion were also debts, and even a record debt! And although it sounds absurd, these figures give the government excellent prospects for the 2011 budget, since these figures do not yet affect the draft budget.

The government laid down € 48.4 billion in new debt for the 2011 budget, even though the economic situation has improved. And since this trick of pre-calculated expenditure which does not even occur later still works, the calculations for the debt freeze will hardly be based on a firm foundation.

This is not the sense or purpose of the debt freeze, which is based on step-by-step reductions. Since the consolidation of the 2011 budget was not carried out accordingly, the debt freeze system will not work, in which case it is irrelevant whether the government had considered, in connection with the negotiations of the Conciliation Committee on the Hartz-IV reform, whether to impose the costs of basic retirement provision on communities from 2012.

The annual implicit increase in debt of social security, civil servants' pensions and the like does not even figure in the calculations for the debt freeze. The debt from this wheeling and dealing is down to the tax-payers; no account is taken of the social market economy.

The debt freeze and its incorporation into the Basic Law must in this way become ridiculous. Politics is covering up for its own failure with a pleasing name. Simply applying the label 'debt freeze' will hardly put a stop to more and more debts for debts which originate from a national economy financed on credit.

By entering into subsidiary liability on behalf of German tax-payers for guarantees and sureties in the form of Euro rescue packages, and the high share in these resulting for Germany, the debt freeze becomes almost meaningless. A crackdown is overdue in the form of criminal liability for exceeding the limits laid down in the stability pact under the Maastricht Treaty for the countries of the European Currency Union.

### **3.7 The Federal Audit Office and the rescue packages**

From the press comes a notice from April of this year, that the Federal Audit Office is expressly calling on the Bundestag to assure itself of control of the German share of payments amounting to billions in the financing of the future Euro rescue package. This announcement is all the more astounding, since it must go without saying for

the German Parliament, and all members of the German Bundestag, not to allow the Chancellor or her Finance Minister simply to distribute such amounts without question or without a parliamentary decision within the scope of their guideline competence, without knowing the reason or the extent of such expenditure. The ladies and gentlemen in Berlin continue to play with state funds, and none too carefully either. The sequences of numbers and totals beggar all belief and imagination. Arbitrary authorisations for payments are therefore particularly unjustified. Germany's financial situation is too tight to cater for such hobbies. This is also the opinion of the Federal Audit Office. Authorisations must be passed by the Bundestag according to the reason and the amount. An upper limit should also be set for German participation in such rescue packages; the parliament must also decide individually on German rescue package contributions to other countries.

With regard to the planned Basic Law Amendment relating to a debt freeze, it must be feared that this will be circumvented in exactly the same way, even if it is incorporated into the constitution, like parts of the Maastricht Treaty of 1991/92 regarding the exceeding of the limits of the stability pact.

The 2013 crisis fund, although it requires the consent of a majority, makes unlimited rescue package is possible, since it is obvious, with regard to the retention of power desired by all governments, that the majority agreement of the European Currency Union countries will also be assured for every future topping-up. The stultification of the people in a parliamentary democracy therefore bears unlimited blossoms.

This must be stopped, people need their own debt freeze, their own brake on the mismanagement of politicians. This can only happen through referenda, and for general restructuring, an immediate currency reform at least for Germany, even if Germany is still performing best amongst all the countries of the European Currency Union.

### **3.8 Rescue packages and transfer procedures**

With the currency reform of 1948 (taking into account only the western zones), a transfer procedure also took place in the legal social systems. It was decided not to set up a financed social security system using the entitlement coverage or capital coverage procedure, which is based on funding social security payments for every year from the contributions of people still in employment, and which requires initial financing for the entitlement or claim amount relating to past contributory years.

However, since the payments allowed for under social security legislation are significantly higher than can be covered by these contributions of still active working people in Germany, the amounts not covered, in particular the pensions paid by German pension insurance, have to be topped-up by substantial government subsidies, in order to make up for deficits in social security and also in the completely non-contributory civil service pension schemes, which have no reserves (the only exception being the state budget of Rheinland-Pfalz). This has resulted in deficits running into the trillions, which have to be compensated for by increasing annual government subsidies.

The transfer procedure can also be seen as parallel to these considerations, which in general goes under the term 'rescue package'. In addition to the already agreed

guarantees and securities in the amount of around € 168 billion, which will also be charged on to tax-payers from 2013 (for generations to come), Germany's cash injection into the 2013 rescue package will be a further € 22 billion, which will have to be financed by loans. At an assumed interest rate of 5%, this will incur € 91.6 million (after the total cash payment) in interest, which the German taxpayer will have to pay every month. That makes an annual total of € 1.1 billion, which will also have to be financed by loans. The total German contribution to all rescue packages therefore amounts to around € 690 billion, when the most recent and as yet unratified € 190 billion are paid out. This risky policy is causing the greatest reduction in buying power in German history. The political claim that this is all being done to protect the Euro, is correct only on merit.

If the Euro crashes, it will lose its buying power completely. Every further payment made by the state, irrespective of for what purpose, is in this sense nothing but a reactor; every Euro is then a fuel rod, which can bring the monetary structure to the point of meltdown.

Unlike the residual risk of a technology, the residual risk of such a financial policy is obvious. Germany's coffers are empty. What remains amazing is that Mrs. Merkel, the leader of a country deeply in debt, has recently become the head of the new economic government of the European Currency Union; a Union which puts indebted countries further into debt.

*Alliance Democracy* will carry out a legal review as to what extent legal proceedings can be taken against this type of monetary risk.

The International Monetary Fund (IMF) published in its assessment '06/17 – [National Assessment for Germany](#)' of January 2006, that Germany is in debt to the tune of at least € 8.5 trillion.

This deficit in comparison to the rights prescribed, if projected up to the year 2011, will most probably amount to at least over € 10 trillion Euro. This amount corresponds approximately to the amount of all explicit (foreign) debts of the 17 countries within the European Currency Union (€ 9.8 trillion).

This level of debt does not however take into account the implicit debts in the social systems of all these countries, as calculated by the International Monetary Fund (IMF).

On the basis of the current over € 8 trillion implicit debts of Germany (assumed figure for 2011), and taking into account the facts that Germany, by exceeding the total debt limits is already at around € 2.1 trillion with only explicit debts (without German rescue package contributions of € 690 billion), and in the stability pact of 60% of GDP is still in a very favourable position at 40% of this limit, although rising to around 83.3% by the year 2010, while France for example already stands at 88% and Italy at almost 120%, and Ireland, even before the granting of rescue packages by the IMF and the countries of the European Currency Union was at the level of 230% of explicit debts only, it can be clearly seen to what extent the financial situation of the Currency Union has gone off the rails. The continual contribution to rescue packages, the continual creation of new rescue packages, will force the countries of the European Currency Union even deeper into debt for many generations to come. There can therefore be no further talk of rescue packages.

[Implicit and explicit debts constitute the total debt, according to the IMF assessment, while those of all 27 EU countries correspond to those of the USA. (According to the US Treasury Secretary, the USA will be bankrupt from 8/11, if the Congress does not give its permission for further borrowing.)]

### **3.9 Deception of pensioners and recipients of support**

The costs of retirement provision must be constant (except for administration costs). Retirement provision cannot be sold short or too expensive, because those responsible for its provision provide the necessary funds through contributions over many years.

Sound retirement provision requires a long-term, planned financing procedure. The price of self-supporting retirement provision can be calculated on the basis of the likelihood of death, invalidity or widowhood so that those involved can form a good picture of the present and future requirements.

Insurance coverage must create technically adequate reserves, must be able to establish free contractual relationships and not curtail the possibilities of the individual. Calculations of a business mathematician are necessary to organise such a procedure which can get by without further support and subsidisation.

These calculations however require the assumption of the actually expected number of pensioners, in terms of invalids and widows, which is however not the case with the calculations of the German pension insurance and provision institutions for legal retirement provision, or the transfer procedure of the working professional schemes or provision institutions.

Due to this principle, and ever since the existence of the country (Federal Republic of Germany only, 1949 to 1990) higher amounts have consistently been paid out than have actually been paid in. In this way, the state, on its foundation, transferred the responsibility for war damage and currency damage onto the shoulders of future generations. An actuarially sound contribution and payment system would have to have been introduced from 1953, and adapted to the increasing burden of debt. But as has happened, this has created a deficit for the state, which makes up the missing funds, a deficit which can no longer be made good. Urgent warnings of this were given by the Ministry of Economics under Ludwig Erhard, the Minister who oversaw the 'economic miracle' in Germany. From that time until today, this procedure has mired governments in debts of € 8 - 9 trillion (inclusive civil service pensions and legal health insurance).

This deficit could only have been avoided by an appropriate actuarial solution: the entitlement coverage procedure. In the case of transfer or the so-called distribution procedure, this would also have solved the 'insoluble' question of leaving the scheme during the term of the contract in a simple way.

If the individual insurance based on a free contractual relationship, enabling a free decision on the contract design were not to be claimed in the case of an existing insurance company, it would have been possible, for professional provision for example, to consider insurance associations in terms of reciprocity, in order to offer the members of the profession a retirement and dependents' pension on a voluntary basis according to a planned financing procedure.

After 60 years, it is now obvious that through the transfer procedure, a deception has been committed against almost 30 million people, which is almost 40% of the entire population of Germany. If the level of debt now drastically reduces the buying power of the Euro, in whatever form, due to an unbridled debt economy as created by politics, this will affect above all the relatively few active earners, whose standard of living is in any case not particularly high, and in particular pensioners and recipients of support payments.

#### **4 Financial policy and national debt**

In the year 2006, Germany (according to an assessment by the International Monetary Fund, IMF) had debts of € 8.5 trillion. In a further assessment by the Institute for Social Market Research (Freiburg), which is represented by Professor Bernd Raffelhüschen, this figure was put at [€ 7.2 trillion](#). It is firstly questionable why both assessments arrive at different results, while secondly, the difference between the IMF assessment and the assessment of the Institute for Social Market Research appears relatively insignificant, since it can only be a matter of assessing the overall order of size of this mountain of debt. By the year 2011, a level of debt of over € 10 trillion can safely be assumed.

Based on the current total population of Germany (82.1 million according to the Federal Department of Statistics), the per-capita debt is not between 21 and 22 thousand Euro, as repeatedly stated in the press, but when the implicit debts are taken into account, this rises to between 120 and 125 thousand Euro. Every child therefore comes into the world with a burden of debt of over 120 thousand Euro.

Taking the datum point of 2006, the total debt (implicit and explicit) as measured against GDP (gross domestic product) was over 350%, and heading for 400%, as opposed to the 60% total debt allowed in the stability pact. This 60% refers only to the explicit debts.

From the economic point of view, this appears decidedly problematical, for if Germany is considered as an industrial company, then if the country were to be sold, in the same way as the sale of an industrial company, the implicit debt in the social systems, as well as the explicit debts of the company being taken over would have to be taken into account, thereby reducing the sale price. Although Germany is still referred to as the economic powerhouse of Europe, it has a no longer permissible total debt (explicit only) of 83.3%, and as an economic powerhouse would be fit only for the scrapheap. The implicit debts are almost four times as high as the explicit debts.

There are no penalty provisions for exceeding the limits in the stability pact for annual new debt of 3%; no penalty provisions for exceeding the restriction of total debt prescribed in the stability pact of 60%. Why are the implicit debts simply ignored? All previously promised rescue packages, which are shown again and again to be simply replacement loans to service existing loans, and which bleed the national treasury dry, simply result in an increased level of debt.

#### **4.1 The increase in debt under German chancellors**

At the end of the 1960's, the national debt, in relation to GDP, amounted to 20%. In 1970 it was 30%, in 1986 already over 40%, and in 1996 60.5% - by end of 2010 the figure had reached 83.3%.

It can therefore be established that there is a double cumulating of debts from the nominal increase in debt in relation to the continually changing annual gross national product (GNP). If the percentage overall debt ratio reached at the end of the 1960's had remained unchanged in relation to the GDP, this would also have resulted in a nominal increase in the nominal overall debt resulting from the rate of 20% from the beginning of the 1970's, because the GNP increases nominally every year, so that with an unchanged debt rate in percentage terms, the nominal level of debt would have increased. This would be akin to the normal condition.

What is not normal however is that the rate increased within 50 years from 20% to 83%, therefore increasing by a factor of more than four. The world of politics obviously had little interest in a balanced budget, and the practice of always spending more than the state takes in in income was stretched beyond capacity. Any housewife could have managed the situation better than all the chancellors or presidents of the Bundesbank.

The debt profile of the country from 1950 to 2009 shows above all an increase in debt in relation to the economic growth figures. The debt rates always exceed the economic growth rates.

Although a qualified economist, the debt-king was Helmut Schmidt, followed by the historian Helmut Kohl (in the comparison of all the waste and mismanagement,

the costs of the reunification of Germany play only a minor role). Schmidt and also Kohl - with all political sovereignty - must accept the accusation of being proportionally responsible for the mismanagement of the country. SPD governments come off no better than CDU governments as regards the comparison of debts and annual economic growth rates. Dr. Merkel only comes out so well in comparison to her predecessors because there are no current figures, and because subsidiary liability for postponed debts arising from guarantee and security liabilities for rescue package contributions are not included statistically in the annual debt rate calculation until they are actually realised. This subsidiary liability must also be closely considered in view of the precarious situation of the European Currency Union. If it is one day realised and also published, Dr. Angela Merkel will stand in front of the German people in an uncommonly negative light, as indeed she does already. Only the packaging prolongs the deception.

She could have drawn attention to the fatal situation of the Euro on entering office. She might also have been able to regard it as her task to free Germany from the Euro, instead of which she has simply played along, and gambled for more time in government for her party - at the cost of the people of Germany.

#### **4.2 National and state budgets and supplements**

A prime example is the budget situation of the state of Nordrhein-Westfalen (for the year 2010). The discussion over this budget shows how the economy is being managed at the moment in Germany, and how it must be managed in future.

The draft budget for the year 2010 presented to the Nordrhein-Westfalen Landtag resulted in excessive debt, although it was passed. On 16.12.2010 this accepted draft budget was followed by the passing of a supplementary budget for the state of NRW

in the Landtag. This provided for the assumption of further excessive debt, although without any corresponding investment, as is prescribed in the Basic Law.

The CDU and FDP as the opposition parties in the NRW Landtag made an application to the State Constitutional Court in Münster to veto this supplementary budget. The Münster State Constitutional Court found in favour of this application on the grounds that there was no coverage of the budget in the sense of the Basic Law. The State Constitutional Court also criticised the undue extraordinary level of debt. A corresponding application has been submitted in Münster for the 2011 draft budget.

This landmark verdict must apply accordingly for the budgets of the other federal states, and depending on the situation also for the national budget.

*Alliance Democracy* has made it their task to examine this aspect from a legal point of view with regard to other budgets, and if necessary to take appropriate legal action. It remains to be seen whether the CDU and FDP will also have to allow this verdict given for NRW to be applied to the coalition government party in Berlin. Reports will be published on our Internet site!

## **5 Visions of politicians**

### **5.1 The Schmidt vision**

*“If one looks closely, then one sees that political journalists actually belong more to the political class, and less to journalism”* This comment was made by the former 5<sup>th</sup> Chancellor of Germany, Helmut Schmidt in 2010 in an insert in his house newspaper “Die Zeit”.

As a former politician, he wrote in this sense often entertainingly, often instructively, often meaningfully, and sometimes completely off the rails, as in the article about the non-existent Euro crisis.

In addition to many other merits, he also earned the merit of being a pioneer of the common European currency, in that he developed in the 1970's a system of fixed exchange rates between the European currencies in order to counteract the arbitrary exchange rate fluctuations of the Dollar. It may be difficult for such a man to accept that such an idea has failed, but nevertheless it is so. And the idea is therefore over, if it was indeed ever a vision. Not so unfortunately with the national debt, which after the Schmidt government, the government which left behind it so much national debt, is now bearing down on us in the form of the Euro.

It is otherwise difficult to sift out any vision in his actions: the former chancellor once said, in order to annoy his predecessor Willy Brandt: *"Anyone who has visions should go to his doctor immediately."*

In such a long life as Mr. Schmidt from Hamburg has enjoyed, innumerable quotations may be gathered, but it is these two which prompted *Alliance Democracy* to believe in a vision of the former chancellor, because *Alliance Democracy* associates the former chancellor above all with the image of serving politics; Schmidt believed that a good politician should stand by his actions. He saw himself as a servant of the state, and his thinking and action therefore became a model. A model which none of his successors (including Dr. Merkel) have been able to emulate, except with regard to his complicity in the debt and mismanagement of Germany.

## 5.2 The Kohl vision

Helmut Kohl had undertaken a great deal as a young politician. A man like him must have dreamed of adorning his natural size with significance. Hardly having assumed office, he must have undertaken to do everything differently.

The office required a balancing act, as was the case for any chancellor, and no great matter for a man like Kohl. An overseeing organisation. The party wing had to be kept together, the associations who feel themselves insufficiently appreciated, the coalition partners who simply want to have, have, have, the representatives of industry, who never give, and the voters, yes the voters, who have to remain convinced, and the non-voters, who remain to be convinced. He was stoical enough to sit still through any crisis, hoping that it would simply blow over, praying that everything was and would be for the best in the end.

It would be idle to speculate how Kohl wanted to score points in order to attain importance; there were slips; some embarrassing, some horrendous, and some also magical.

Yet questions remain: To serve the party, and yet also to serve the state is no easy matter. When journalists always wanted to discover only 'foolishness', when the world was disillusioned with Kohl, economic experts accused him of unhealthy handling of the nation's finances, historians dismissed his merits, there must have been nothing at all left for Kohl than to reach for the pen himself (as we now believe was the case).

So he wrote in his "Memoirs", about how much responsibility he had borne, in the face of all deriders, and nobody can disabuse him of this belief.

Kohl's achievements are brought together under the title "Memories 1982 to 1990": "The Chancellor on the disagreement over the NATO twin-track decision, the economic and social restructuring of Germany, the stony path to a united Europe, the hard-won end of the East-West conflict, the opening of the Wall, the background to the reunification of Germany." What else is there to say?

Perhaps the thought that Kohl had only one vision: As a pupil of Adenauer, he wanted to remain at the helm as long as his mentor before him. And so he did. Everything else was simply flowers along the path of life. But he picked them anyway, or knew someone who could pick them for him.

### **5.3 The Merkel vision**

The fact that politicians are not necessarily always good for the country they govern is amply demonstrated by the example of Angela Merkel. Some might say: she is only a girl, what can she hope to achieve; others say: she will bring about the decisive change.

The question is now: what would be such a change? The Euro will crash, the nuclear lobby is up in arms, as long as the nuclear waste will remain active in Gorleben, and so there is no real work to be done. And now the reactors are all to be shut down in 2022. In rough seas, a good remedy to prevent sea-sickness is to lie down on the deck and look up into the sky. Lying down and doing nothing is the watchword.

The ridiculous fact is that Angela Merkel will also have to attain importance sooner or later as the head of state if she does not want to go down in the history books simply as proof that women are not good enough to fill top management positions. That would be malicious, and would severely derogate the achievements of recent years on women's issues. So where is this historic performance to come from?

There are possibilities: clever plans. First the national debt, the promises, guarantees and securities, the eternal concessions to the European alliance partners. The debts could at least be reduced by leaving the European Currency Union, the concessions would disappear in a moment. This would have to mean the end of the Euro, and the return of the German Mark. The German economy was on its knees, but recovered, and since everybody knows since the end of the Kohl government that the good times are past, the Germans are tightening their belts even further. It would be chaos or perhaps an orderly chaos, which needs a governing hand. Merkel would still be left with possibilities. And she is indeed flexible; because her predecessors and she herself have caused enough chaos to be able to and to have to justify a new beginning. Or she will become a good Foreign Minister - she has long since proven that she could do that.

Or she could introduce direct democracy. She alone comes into question in this respect: a woman who had to grow up under the conditions of an illegitimate state (her parents took Angela with them from the free West to the East) must have a very strong desire to finally bring about justice. And to proceed in this manner would incidentally also be very American - Yes, Angela can! Sometimes it is a great merit to be a pioneer.

#### **5.4 The Seehofer vision**

It is sometimes difficult not to be a chancellor. Horst Seehofer at least had good opportunities of not being one. His vision of a revolution, which he called out to the world from a table of the Munich 'Hofbräuhaus', might have been heard by somebody.

Naturally this was all not meant seriously and if so, he could have rolled out a red carpet into the history books for his Chancellor, who from the point of view of a Bavarian was unfortunately the ruler of a larger country. In contrast to his boss, he recognised the trend, or at least said what Angela Merkel's office stops her from saying: *"The political task of our times is: To listen to the people, to serve the people - not wield power. When the situation has changed, politicians must also reconsider their standpoint."*

Revolutionary! To serve instead of rule. This alone is direct democracy.

Expanding on these thoughts would be a good task before the summer break. *Alliance Democracy* would like to thank a genuine revolutionary thinker for his work!

#### **6 Oath of office, breach of official duty - criminal liability**

After every change of government, every end of a legislature period, the tax-payer is left with collateral damage in the form of charges, laws or political decisions which prove in the future to be senseless. Politicians are not clairvoyants, but since most of them act in the interests of their party, decisions are often made, on the basis of constraints of power politics, which have not been made by any expert at any time;

it would therefore be just to hold politicians liable for such mistakes.

Politicians hold a political office (government office, such as a Minister or a party-political office, such as Party Chairman) or a political mandate (delegates on legislative or executive committees). *Alliance Democracy* believes that the separation of office and mandate is long overdue.

The President (GG Art. 64), the Chancellor and all Federal Ministers (GG Art. 56) take the oath of office when entering office. The President takes the oath of office at a joint session of the Bundestag and Bundesrat; the Chancellor and the Ministers take the oath before the members of the Bundestag. The oath of office is prescribed in the Basic Law and states:

*“I swear that I will devote my efforts for the good of the German people, promote its well-being, protect it from danger, observe and defend the Basic Law and the statutes of the Federation, fulfil my duties conscientiously, and practice justice to all. So help me God.”*

[The religious affirmation does not have to be made. (Art. 56 Sentence 2 GG)]

According to the former President of the Bundestag Wolfgang Thierse, the oath of office does not however have any [legal significance](#): (see Maunz/Dürig/Herzog/Scholz, commentary on the Constitution, Art. 56 rec. 4 and 10):

*“According to the text of Art. 56, and also according to the simple regulation which this question has found in the law on the election of the Federal President by the Federal*

*Assembly, the commencement of the term of office and official authority of the Federal President does not depend on the taking of the oath. Art. 56 requires only that this must take place close to the time of entering office. The regulations require nothing more. Like all oaths of office required under German public law, the oath of office of the Federal President is not in any conceivable context subject to criminal sanction, such as in the sense that a flagrant breach of the obligations taken on in the oath could be interpreted under criminal law as perjury or similar.”*

And more:

*“No Federal President (and also no Chancellor or Minister) will be so cynical and so obsessed with power that they would be concerned at the moment of entering office solely with the power, the prestige or the personal benefits associated with the office in question. They will always be concerned with “getting something done”, i.e. realising ideas which are closely related to their political and ethical basic positions, whatever these may look like in detail and from whatever intellectual sources they may originate. On these basic positions, which in some cases may be significantly more important and binding for the individual than any legal regulations (even the Constitution), the new office-holder also undertakes publicly – and if he takes them halfway seriously, this will produce for him additional non-legal motives – to conduct his office in compliance with the Constitution, and above all its constitutional possibilities and limits.”*

From this discourse it can be concluded what value may be attached to the official duty of a civil servant, the duty imposed on a civil servant by the exercise of his office.

Prosecution is hardly possible, while politicians also enjoy immunity and most of their decisions are subject to so-called discretion with a great deal of latitude.

The possibility of prosecuting or taking legal action against a civil servant is very slight, even in the event of demonstrable offences against the law.

Breach of official duty exists if the official or the authority, such as the Tax Office offends against the clear and unambiguous wording of a regulation, incorrectly interprets or applies a regulation, or also makes an incorrect decision, despite legal clarification, and if documents relating to a particular matter disappear (breach of the duty of care). The legal bases of these laws are enshrined in the Basic Law and German Civil Law (BGB, § 839, Paragraph 1-3).

Article 34 of the Basic Law states under the aspect of 'Liability in the event of breach of duty':

*"If anyone breaches the duty of office towards a third party, with which he is charged, in exercising the public office to which he is appointed, the responsibility lies with the state or the organisation which he serves. Recourse is reserved in the event of deliberate or gross negligence. For the claim for compensation for damages and for recourse, legal action may not be excluded."*

Breaches of official duty in the form of false oaths (e.g. the Barschel affair), and the oaths of many politicians right up to federal chancellors and presidents, who have

demonstrably mismanaged the state, are not punishable in law.

The reason behind this strange protection can be found where integrity is required, which the Germans, with their national tendency to obedience, somehow always require whenever a new politician is making his way into positions of power.

And this gives rise to the question of which people at all are suitable for the highest positions in the state? Integrity is not the only requirement demanded for such office. *Alliance Democracy* demands above all economic expertise and its proper application. Apart from the qualities, inclinations, education, and in particular also understanding and logic required for such an office, it would be irrelevant who should strive for such a position; it must however still be remembered that the people have no recourse in the event of the unsuitability of the head of state for changing anything about their further tenure of office.

This enables direct democracy. This must become and remain possible at all costs.

This also requires some further confirmation of capability on entering office than simply the career of a professional politician. *Alliance Democracy* believe that it should be made a requirement for all those who want to become members of parliament, at the state or national level, to provide evidence of their economic and commercial abilities.

This includes for example a knowledge of the figures of the statistical yearbooks for Germany and knowledge of the valuation and complex way of reading these figures and their development over several years.

Without such confirmation and without economic skills, it should not be possible in future to attain the office of a member of parliament. And then it must be possible for politicians who squander vast sums of money abroad, without any sense or benefit to the common good, to be brought to book and held accountable, at least in the sense of the oath which they took on entering office. If this were the case, all German politicians to date would have rendered themselves liable to prosecution.

As long as politicians are allowed to make promises, by saying something that they can then revise at any time, even though damage has demonstrably been caused; this must not be the case any longer. The relevant laws must be drawn up and passed as quickly as possible. The possibility of defending oneself against political mistakes must be granted to every citizen in law, and must no longer be left to judges of the highest courts - who are appointed by party quotas - with quasi-political interpretation.

#### 6.1 **Merkel and pending proceedings**

It is however impossible at the moment to bring charges against the government or the Chancellor. *Alliance Democracy* has applied to the Berlin Public Prosecutor's office for a criminal investigation as to what extent the deferral government has misappropriated tax funds in the millions (see <http://www.menschenfuerdemokratie.de>). The result of the investigation revealed that Mrs. Frau Merkel and her government colleagues did not misuse the money for the purposes of party advertising. *Alliance Democracy* has lodged an objection to this finding.

In addition to this charge, which is still being pursued by *Alliance Democracy*, there are also other charges and proceedings pending against the government and Mrs. Merkel, and currently 50 constitutional complaints against the government, which have been submitted to the Federal Constitutional Court in Karlsruhe in connection with the stabilisation mechanism.

A good 20 of these have already been processed and rejected, because formal legal requirements of such a complaint were not fulfilled. The plaintiffs include the CSU Bundestag member Dr. Peter Gauweiler, the economist Prof. Dr. Dr. h.c. Joachim Starbatty, Wilhelm Handke and Wilhelm Nölling and the constitutional expert Prof. Dr. Karl Albrecht Schachtschneider, who have been opponents of the Euro ever since its introduction was discussed.

It is interesting in this connection that 73% of Germans are dissatisfied at how the government is handling the Euro crisis, as has been confirmed by an opinion poll. The opinion of the people is known, but the possibilities of taking action against it remain unclear.

The Federal Constitutional Court and its senates are made up of judges appointed according to party quotas in the highest court in the land, who in a quasi-political arrangement have the last say in the interpretation of the law: There is not always justice in these decisions. Such an interpretation would also be possible for courts without appointment by party-politic quotas. But this party quota system also applies for all the high courts such as the BGH (Federal Supreme Court), BSG (Federal Social Court), BAG (Federal Labour Court) and BVerwG (Federal Administrative Court).

The suspicion of a conflict of interests in the form of militating situations regarding judicial impartiality on the one hand, and party-political orientation on the other, or

at least as a politically delegated judge, leads in certain major decision cases to a politicised legal interpretation in which political will also influences the decision, irrespective of law in the sense of justice.

Even in the absence of such cases, courts should not even offer the possibility of such a suspicion in people's minds. The fact that this is so cannot be denied by anybody. A change in favour of judges not concerned with party politics must be made in order to ensure the impartiality of the judges of the higher courts (and also for all other courts).

For this purpose, the popular referendum must be introduced.

## **7 Direct democracy in Germany?**

One possibility of contriving a different democracy lay in the idea of better control. Organisations should be formed which make it their task to act as controllers of political work. One such organisation is *Alliance Democracy* and other actions and associations whose cooperation is necessary from case to case, or permanently.

### **7.1 The example of Switzerland**

Restructuring according to the example of Switzerland would be a way for the establishment of direct democracy in Germany. The most important thing that this model could teach us would be optimism. It would be ideal if Germans were able to believe in a stable currency, which was not endangered by the restrictive relationships of a Currency Union. This would also help to create secure jobs, general prosperity and perhaps even satisfaction.

After 100 years without any currency reform, the model of Switzerland has amply proven that such a situation is possible. The Germans would certainly have to learn much on the way to such a self-determining future, but they would have the possibility, after 20 years in which the country has been reunited to create a Germany for the future, which has recovered from the injuries of the past. Another education system with instruction which teaches responsibility just as much as pleasure in codetermination and cooperation. The idea of discussing matters, becoming involved, perhaps also having to suffer setbacks, but nevertheless carrying on, would do many Germans good, and the country of tomorrow. This would also include a more sensible employment policy, which would enable mothers and fathers even more than previously to bring up their children, without perhaps having the feeling of being socially disadvantaged.

Even in Switzerland, all that glitters is not gold, and a direct transfer of the conditions is therefore impossible. It should and must nevertheless be possible to create more democracy, more codetermination and more equality in Germany, so that a model direct is democracy can develop in this country. To do this, the political upper stratum, voting conditions, the currency, the Basic Law and also the education system must be changed for the better.

Since the Germans do not tend so much towards revolutionary overthrow, this conversion will require a few years. Until then the question is: what should direct democracy in Germany look like? How much is every individual prepared to do to this end? Where will every individual be involved? In the case of currency reform, this will happen almost by itself, and this will set well with the Germans.

Parliamentary democracy has failed. It has resulted in a sellout of a productive and well-educated country, which now needs a new determination. And this determination can only be: direct democracy of a reunited Germany which wants to experience and codetermine the next millennium.

## **7.2 Currency reform**

The USA as an example for Europe is bankrupt, and the Euro is also on the edge of an abyss. Despite all attempts by the Americans and also the Europeans to save their currencies - Germany's total mountain of debt is currently over € 10 trillion, it is uncertain how much debt still lies concealed in the balance sheets of the banks, which after being written down could be correspondingly higher, but one thing is certain: it will be in the billions - it must be considered what will happen following a reform, which must inevitably come, since the Dollar and the Euro are under such pressure.

The worst thing about all events which are associated with a currency reform is that we, the people will only find out what will happen when it actually happens. Politics and the press will hardly report on it in advance. On television, grey men in grey suits will withdraw without comment into grey buildings; the place will abound with bodyguards, personal assistants, chauffeurs. At some places there may perhaps be a few demonstrators waiting - the disadvantage of such meetings of the financial heads is that they are strictly secret. And again the press will help by making common cause with these machinations.

What must the citizen be protected against? In the night of nights in which the Euro crashes, all the wallets and purses in Germany's pockets, draws and handbags will be full of notes and coins which will only be nice to look at - to the grocer on the corner they will not be worth a penny.

The federal government recently assured the German investor on television: your savings are safe. The amount which Mrs. Merkel described as safe applied for the invested amounts, not for their inflation-protected equivalent value. Nobody can give a guarantee any longer for over € 10 trillion, not even for € 2.8 trillion (explicit debt and subsidiary liabilities only), let alone achieve income in this vast amount, at least not through normal economic growth, which the budget will lack in future.

As long as the national budget is loaded every year with greater expenditure than can be compensated for by income, economic growth will exist only in the press, designed on beer-mats by strange theoreticians, although not in real life.

It may be that consumption in Germany remains high, and the press reports on it, but this does not produce economic growth, which is wiped out by the national debt of over € 10 trillion. And here we must recall once again the words of Mr. Schmidt of Hamburg, who claimed that the currency was sound.

The crisis of our time is not an economic crisis, nor a crisis of the banks, it is a crisis of the monetary system. The financial policy of the moment will slow down economic growth (i.e. the GNP) by austerity measures; this means less tax receipts.

Since the state as the administrator of social finances also subsidises the economy, no austerity programme will ultimately have any effect on reducing debt. Germany, like all other countries of the European Currency Union, will remain sitting on a mountain of debt. The Europeans can buy as much as they like, but this will not rescue their states.

Financial experts forecast the probability of an economic crisis as 90%, with the likeliest time being the years between 2010 - 2019.

Will the D-Mark return after the Euro? If so, that would mean: for the currency conversion, the Euro would be devalued in such a way as to reduce the national debt; for private persons, repayment of non-devalued mortgage debts with a devalued currency would be almost impossible, as it was before the currency conversion, especially since the savings of investors would be wiped out, and where it concerns pensioners and recipients of support, there would be no additional income from the acquisition.

When states went bankrupt in past times, under whatever ruler, there were three possibilities for getting out of the situation: State bankruptcy (like Austria in 1811 or Iceland in 2008), inflation (in France during the French Revolution, or at the time of the world economic crisis in 1929 or in Germany from 1939 to 1948, when the currency was corrected by a reform, which until today is regarded as the last possibility of saving the currency.)

On the introduction of the Euro, the D-Mark was again devalued by the well-known ongoing devaluation, and not 'according to plan' so to speak. Buying power was reduced and the state remained sitting on its mountain of debt.

Economic experts today also anticipate monetary devaluation if the Euro remains. None of the economic specialists have visions of inflation, state bankruptcy is unimaginable at least for Germany, because the currency - and this may now sound ridiculous - is nevertheless stable, leaving only currency reform. And now it can also be explained why the press maintains silence about the machinations concerning the currency: the press, like the politicians, whose henchmen they are in this matter in particular, wants to prevent investors from transferring their assets abroad. This would break the back of the state, which is not in a position to carry on without the savings of its citizens.

The devaluation of the Euro is coming. In the form of wealth tax, the Lastenausgleichsgesetz ([law on financial compensation for losses suffered in WWII](#)), as inflation (through loss of buying power, which is already happening), as currency reform. And if the reform were to come tomorrow, the cost to the nation would be less - the state always wins; the longer it has time to accumulate further debts, which will cost the remaining buying power when the crash comes.

### **7.3 Referendum**

The referendum stands for the will of the people of a state (or federal state or district) and decides on a political measure or a law. Plebiscites and referenda are allowed for in the constitutions of the federal states; in the Basic Law only on reorganisation of national territory (Art. 29 GG) and the replacement of the Basic Law by a new constitution (Art. 146 GG).

Plebiscites and referenda are a characteristic of direct democracy. A country with direct democracy is regarded suspiciously by other countries who do not have it, and in particular also by the commissars of the European Union, who are not legitimised in the sense of direct democracy. In a referendum, the population has the right to vote on laws submitted and passed by the politicians in parliament, and also to implement or bring about a vote on new constitutional regulations.

Where direct democracy is practised, it has been found that people in themselves act with solidarity, but are fallible. This fallibility often expresses itself in the striving for positions of power or in the misuse of power.

In direct democracy, it is the people who decide. This is an instrument of control for politicians and parliamentarians. The right to be able to vote on laws framed by the parliament in the form of a referendum disciplines parliamentarians.

The referendum as a direct democratic control also put a brake on lobbyist ties and constantly on the implementation of certain projects. Where basic questions are addressed under the compulsion of a popular vote, matters are discussed accordingly and accountability must be assigned.

In Germany too, the will to control this power must be seen as an advantage, because only in this way can social questions also be resolved justly in future.

The people of the country must be allowed codetermination; they must be allowed to develop, and not suffer under the power of their representatives.

In a TV appearance on ZDF, the party whip of the CDU Volker Kauder said that the question of a referendum was inopportune at the moment, although it should be considered.

The vague agreement of Mr. Kauder is intended to pacify the people, although actually neither Kauder nor the CDU want such popular political influence. Politics talks about corresponding considerations in this direction, but correcting the matter by plebiscite or referendum is not possible with indirect democracy on a parliamentary basis, and somehow also not desirable, according to the latest press statements by Mr. Kauder and the CDU/CSU.

Yet the mismanagement of the country, abuse of power, party politics at the cost of the state must all be excellent reasons for choosing direct democracy. *Alliance Democracy* has expressed itself strongly on this point, and is in favour of plebiscites and referenda. In combination with the coming currency reform, this would be an ideal time for the restructuring of Germany.

#### **7.4 Insurance associations for reciprocity**

The people of Germany should in future live according to the principles of the insurance associations for reciprocity. These are subject to the Insurance Supervision Act. The principles which apply for these insurance associations can also be taken from the Insurance Supervision Act or be obtained from the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) in Bonn. And naturally also from every interested politician.

The insurance association for reciprocity guarantees that after formation of a loss reserve, all surpluses should be due to the insured members. If deficits occur (caused by the investment policy), these must be made good by increasing premiums or reducing entitlements.

In relation to the budget policy of a country, this means either increasing taxes or reducing expenditure, and without further loans, the interest on which further burdens the budget in the long term. Expenditure on interest and other high spending always restricts the freedom of action of a government. Politics must however protect the entitlement system, so that the person represented by politics and all people in a country can be protected and their interests preserved, as also corresponds to the protection of confidence within a mutually-supportive community, which is essential for the operation of insurance companies. With insurance associations for reciprocity, state and national authorities watch over these principles.

At the moment, Germany is unguarded in this respect.

#### **7.5 Rebels, demonstrators and revolutionaries**

Finland has shown its incomprehension with the regulations of the European Currency Union, as has Spain. Here, two out of every five young people are unemployed, and one in five of adults. We read in the press the demonstrations are being held against elites. The lack of prospects for young people is denounced.

The movement "Real democracy - Now!" has swept all of Spain. It has no appointed leaders. Everyone can take part by means of the division into committees. Demonstrators also fill the streets in Greece. *Alliance Democracy* supports this struggle!

There will be more and more riots in Greece, because the austerity measures have become unfeasible. Contrary to the opinion of the federal government through the European commission, that soft debt rescheduling could bring reasonable results in Greece, only hard debt rescheduling remains. And the Greeks are moving their money abroad. This is being reported in the German press, but in order to prevent the Germans also moving their money abroad, the press fails to report back Germany's coffers are just as empty as those of Greece.

The Greek banking system is on the verge of collapse. Not only ordinary citizens, but also investors are taking their money out. The country is nevertheless left with its debts. If the crisis is prolonged further by extension of the terms for debt repayment and the reduction of interest rates, in order to avoid default, this will only postpone the time of the crash, and the last credibility in governments will be destroyed. A crash here will also shake the whole of Europe. With an annual deficit from new borrowing of 9% and a total debt (explicit debt only) of 165%, the country is a volcano waiting to erupt.

We now also hear of riots in many Arab countries. Dictators have been removed from power. A success for those who love freedom and democracy, but these countries too are on the verge of bankruptcy.

The International Monetary Fund (IMF) announced that the Arab states are currently short of 160 billion Dollars. This is approximately € 110 to € 115 billion. The IMF announced that it intended to provide 35 billion Dollars, or about € 25 billion. The rest, still € 90 billion, would have to be provided by other countries. If the oil-producing states were also to step in, it must be clear that this revolution will also be paid for by we Europeans in the form of prices for petrol and fuel oil. This may perhaps be regarded as the downside of globalisation.

#### **7.6 Elections/members of parliament**

The election results of the last Landtag and Bundestag election showed an increasing trend towards the spoiling of ballot papers. *Alliance Democracy* sees good in this. The votes are cast, statistically evaluated and counted. The result is no result. And that is better than not voting, and therefore risking that the votes will go to those who ensure the continued mismanagement of the country.

The proportion of these ballot papers is still very low, compared to the total electorate. *Alliance Democracy* will initiate a corresponding campaign for all constituencies in Germany, if corresponding initiatives are not taken immediately by the government towards a referendum.

Even if the referendum is a disputed subject, which in German history has led to decisions for which the words of shame and blame are not enough, it must nevertheless also be accepted that every German has now learn from history. It is therefore clear what we will not and must not have again in Germany; and it must also

be clear that free democracy will only be possible by means of direct democracy. There is no longer any place for the incompetence of decision-makers, mismanagement and the exercise of power simply in order to prolong the time in government of a party - the objective must be the responsibility of every single individual, in order to transform the politics of rule into the politics of service. History reminds us, but it may not stand in the way of the future.

## **8 We will have direct democracy**

The financial situation of Germany is precarious. The Euro has failed the test. Now is the time for a policy which enables the following:

- The people must learn to use its right to have a say in the running of the country.
- Politics must learn to be a servant of the state.
- It must become the interest of the world of business to support the social market economy.
- At every level, we must have skilled managers, who know how to develop their position to the advantage of others, and not just for their own benefit.
- Virtues such as honesty, good faith and incorruptibility must be able to be found again in government centres, parliaments and company managements.
- Politics must devote itself in future to the running of the country, and no longer to the service of the party; legislature periods should be abolished, the people must decide how long a government can remain in power, and when its time is over.

All this will not be able to happen overnight. Every individual must decide whether he wants to take part in shaping of his country. But it is also clear that as long as the people is disappointed with the politics of the country, the longer it leaves them room which they use for their own interests. And perhaps that is the problem: if nobody demands anything, they will be nobody to fulfil these demands, or accept the accusation of not having fulfilled them. There must therefore be assessment standards, and also established consequences, which must be of a criminal, punishable character.

Against this background, it is particularly reprehensible that the information on the disastrous situation of the Euro has been suppressed for so long. First by the world of politics, but also by the press, and particularly in view of the advertising for the publicity work of governments, who even have a budget for this purpose provided from tax revenue.

Angela Merkel should have held an audit on entering office in the year 2005. She should have described how bad the situation of the European Currency Union really is. But in order to protect the interests of her party, and perhaps also because she believed in wanting to change something politically in Germany, as stated in the election manifesto of the CDU, she kept quiet about the financial situation. Because the press and also the people prompted her to no other possibility, she therefore missed a unique chance to lead Germany forward into an honest future. The concealment of the lamentable financial situation, the circumvention of the currency reform, the dependence on the countries of the European Community, the excuses during the financial crisis, the offers to pacify the people, such as the scrapping premium, do not indicate government work which is dedicated to the people. It testifies rather to the vested interest in conducting politics at the cost of the people.

This increases the national debt, gambles away the pensions of future generations and means that important reforms in the country cannot begin, because the money is lacking.

In this sense, it appears particularly derisory when the government spends € 2.8 million from the tax revenue of the state on placing announcements in newspapers in order to advertise the work of the national government. Work which this government promised to undertake on entering office, because it is the work of the government (see [www.menschenfuerdemo-kratie.de](http://www.menschenfuerdemo-kratie.de)) for which the ministers and the Chancellor draw their fixed salaries, and receive their pension entitlements and other benefits if they become ill or require care.

There was a film entitled “ for they know not what they do” (“Rebel without a Cause”) (USA, 1955, Director: Nicolas Ray) with James Dean. Mrs. Angela Merkel knows exactly what she is doing, and to take up the parallels with the film, which portrays the problems of the so-called lost generation, she has done her part to ensure that there will be many more lost generations in Germany. They will all have to pay for the financial misery of our times.

Mrs. Merkel must have known the figures. She spent long enough in the circles where decisions were made on the finances. She must have known, that cannot be denied. And now she has over-extended herself, and with her the whole of Germany.

It remains to be seen what opportunities she might grasp to achieve some historic performance by the end of her time in office, which might make her worthy of an entry in the history books, and in what sense. Let us hope that she now finally makes the right decisions. Currency reform and the exit from the European Currency Union

We will have direct democracy

would be two good steps. Reforming the country after such a move will require a great deal of work. It must be clear that this must be a task for the whole of Germany; *Alliance Democracy* therefore believes that we will have direct democracy. The ideal objective for a designated Ex-Chancellor.

**ALLIANCE FOR DEMOCRACY**