

To the  
President of the European Parliament  
Rue Wiertz  
B-1047 Brussels

21.06.2011

**Petition of the German Bundestag  
European Stability Mechanism**

Ladies and Gentlemen, Members of the German Bundestag,

With great concern for our parliamentary democracy and the financial stability of the Federal Republic of Germany, I would like to submit the following petition to the European Parliament on behalf of the association of politically involved citizens "Alliance for Democracy".

**1. Facts of the matter**

- a) The debt level of public budgets is growing internationally into a veritable debt crisis. National solvency is being endangered. The debt crisis is to be overcome by even more debts. Ailing countries are being granted vast aid loans, which only pile up further debts.

In Europe, aid packages have so far been put together for Greece, Ireland and Portugal, and further countries will probably follow. The Federal Republic of Germany is providing guarantees for the loans granted to a substantial extent. The Federal Ministry of Finance has been authorised for this purpose to provide guarantees up to an amount of € 123 billion, without the consent of the Bundestag (Law on the provision of guarantees as part of a European stability mechanism). For comparison purposes: the total budget for 2010 amounted to approx. € 320 billion.

- b) From 2013, a permanent “stabilisation mechanism” is to be implemented, with a total volume of € 500 billion, and a German share of the liability of around 27%, or € 135 billion. For this purpose, the agreements of the European Union are to be amended or supplemented. These amendments are to be ratified by the member states and implemented in national legislation, i.e. corresponding authorisation for the provision of guarantees.

## **2. Statement of position**

- a) The debt crisis cannot be solved by ever new and greater debts. Addiction cannot be cured by increasingly high doses of drugs. The only way out of the debt crisis is strict budget discipline, accompanied if necessary by orderly and controlled national insolvency, such as already proposed at the European level by the German government. The granting of new aid loans creates false incentives, undermines national budget discipline, burdens the budgets of the countries providing the loans and ultimately also threatens their financial stability. The consequences are the destruction of economic values, social injustice and poverty. The planned volume of the European stabilisation mechanism is no longer controllable as part of orderly and sound budget planning.
- b) It is the consensus of European politics that in the interests of future generations and economic stability, countries must not continue to accumulate ever new and higher debts. The so-called Maastricht criteria were therefore laid down in the Maastricht Treaty. According to these criteria, the member states must restrict the level of their annual budget deficit to 3% of their gross domestic product (GDP), and the level of their public debt to 60% of their GDP.

These efforts are being brought to nothing by incorrect policy at the European level. Instead of requiring indebted countries to observe the Maastricht criteria, they are pushed further into debt by further loans. The Maastricht criteria are therefore nothing more than waste paper.

Added to this is the fact that under the required economic considerations, it is not only the explicit national debt which must be taken into account, but also the implicit debt (i.e. the “concealed” debts and commitments to social systems). According to its national 06/17 assessment for Germany of January 2006, the International Monetary Fund (IMF) estimated that Germany was in debt to the level of at least € 8.5 trillion. If one justifiably assumes a national debt of this level, this has already increased to almost 500% of the GDP, which is over 8x the permitted maximum limit.

Remedial action at the European level is therefore urgently indicated.

- c) By means of the permanent stabilisation mechanism, a system will be implemented in which major decisions affecting the common fate of the whole community will be made without the consultation or consent of the European or national parliaments.

The Finance Ministers of the member states will decide who receives aid loans, in what amount and at what terms. The European Parliament will have no opportunity of influencing such decisions.

This will further exacerbate the already existing lack of democracy in the European Union, although it is generally acknowledged that the democratic foundation of the European Union is an essential requirement for its long-term legitimisation and acceptance. The European Parliament occupies a pivotal position in the democratisation of the European Union, which is why the joint determination and decision-making rights of the European Parliament have been continually strengthened in the past. The European stabilisation mechanism is a negative, retrograde development which is inimical to democracy.

This is compounded by the fact that there are also no such parliamentary joint determination rights at the national level. The budgetary authority of the parliament as the core of parliamentary democracy is being leveraged out to the point of abolition.

- d) Finally, the European stabilisation mechanism contravenes the financial policy guidelines of the European Union as guaranteed in Art. 125 AEUV. According to these guidelines, the European Union and its member states should not make themselves responsible for the liabilities of other member states. In fact, it is exactly such a commitment which is being introduced by the European stabilisation mechanism, in express and direct contravention of the Treaty.

### **3. The call**

We call on the European Parliament and every single one of its members, in light of their responsibility for the welfare of Europe:

- to put a stop to the European “super-debt”. Affected countries must be allowed a new start by means of orderly and controlled national insolvency;
- to ensure the observation of the criteria of the stability and growth pact, including the implicit national debts;
- to defend the budget right as the sole and sovereign right of parliament and to establish the joint determination right of the European Parliament.

### **4. Questions**

It is one of the central tasks of the European Parliament to provide information on important political changes. With regard to the European rescue package, accurate information is rare. The undersigned would therefore like to address the following questions to the European Parliament:

- To what extent have the Federal Republic of Germany and the other member states given guarantees for the aid packages for Greece, Ireland and Portugal?
- To what extent have loans been granted by the responsible institutions under the above aid packages, and at what terms (interest, repayment dates)?

- What decisions have already been made, by whom and when, and with what content (exact wording!) at the European level regarding the permanent European stabilisation mechanism? Is there already a draft for the amendment of the AEUV? Is there already a draft for a European ordinance on regulation of the permanent rescue package? If so, I cordially request that you provide me with the full wording of such decisions and drafts.
- What does the “legislation plan” look like at the European level?
- What measures does the European Parliament intend to take in order to restore the validity of the criteria of the Maastricht Treaty?
- How does the European Parliament intend to maintain its right of determination under the European stabilisation mechanism?
- How does the European Parliament view the European stabilisation mechanism with regard to Art. 125 EUV?

The Alliance for Democracy looks forward to your statement of position and response. I cordially request your prompt notification of your response to this petition.