

MONEY AND FINANCE IN THE EUROPEAN UNION

Euro	Maastricht Treaty	GNP 1999 - 2021	ECB inflation	Inflation Eurostat	Deflated GNP	M3
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**WELCOME
IN THE WORLD OF
THE ECB AND THE BIS!**

**The (catastrophic) balance sheet of Euro 1999 - 2021
by Monetary Zone and by Country**

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I. THE RESULTS OF THE EURO 1999 – 2021

A. USEFULNESS OF A BALANCE SHEET

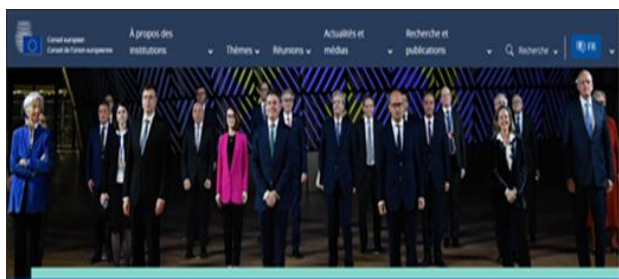
a) PREAMBLE

The **Maastricht Treaty** was signed in 1992, and it immediately allowed High Finance to create the **European Monetary Institute (EMI)** in 1994, the ancestor of the **European System of Central Banks (ESCB)** which is now headed by the **European Central Bank (ECB)**.

This treaty was entirely drafted by the Bank for International Settlements: its simple reading demonstrates this.

Since then, the **European Council** has exercised legislative power in all areas: it prepares the decrees and laws that are transmitted to the Commission. In the economic, monetary and financial fields, **ECOFIN** is the body that validates major economic policy decisions, fiscal issues, the rules of operation of financial markets and capital movements, and economic relations with non-EU countries. It also approves EU budgets.

But, in reality, the Eurogroup is the prime contractor of the High Finance projects within the Council (Heads of State and Government): they prepare the texts for the validation by the EU Parliament of the decisions taken by the BIS, the project *Illustration 1: School Class photo of Madame LAGARDE 2023* owner .
(Eurogroup with all EA-20 finance ministers)



In this system of governance of the European Union, the **Commission** only plays a role of postman because its role is to insert the laws and decrees in the calendar of the **European Parliament** to have them validated, and therefore to give them a legal existence in a formal way.

For other decisions on the internal market, regulations on products and services, consumer protection, the compilation of statistics and increasingly areas not delegated by "the treaties", the European Council and the **Eurogroup** ⁽¹⁾ can intervene if they want to influence or correct the texts prepared by the European Commission before being

proposed for parliamentary vote.

For major decisions concerning the euro, the vote of the **European Parliament** is absolutely not planned. On the contrary, the latter cannot even give his opinion or even criticize the ECB's decisions:

- for their conventional or non-conventional policies;
- for the statutes of rescue institutions (EFSF, ESM) which draw on the budgets of Member States;
- or for the creation of the digital euro, which will also draw on our budgets.

Parliament therefore has absolutely no other power, except that of passing laws and decrees prepared by the BIS.

Better still, the Council can decide that no law or treaty amendment is necessary to manage the new bodies created: therefore, no one can appeal to the European Court of Justice to challenge these decisions.

In other words, since the Maastricht Treaty, "Finance" has been systematically consulted in all areas and, at the same time, it has completely freed itself from the power of the peoples.

Its opinions are de facto binding on the European Commission, and therefore on the European Parliament, and of course on all national parliaments that transpose these European laws and decrees into their own legislation.

b) THE EUROGROUP: A SERIOUS INSTITUTIONAL PROBLEM

Finance intervenes all the time in all areas.

On the other hand, no one can participate in the decisions of the European Central Bank, which declared itself "independent" since its official creation on 1 June 1998 (in fact since the Maastricht Treaty).

In reality, it is indeed '*independent of the peoples and their representatives*'; on the other hand, it does not dispute its dependence on commercial banks since, since the Maastricht Treaty, they are no longer 'banks' but "**Monetary Financial Institution**" (MFIs).

In other words, they are of an equivalent rank to the ECB, to the extent that the ECB's official statistics present aggregated and consolidated statements of their respective activities.

The European Council (Heads of State and Prime Ministers) created the Eurogroup in December 1997.

This was a major change for the governance of the European Union because this body, not provided for in the Maastricht Treaty, brings together monthly the Finance Ministers of the Member States of the European Union in the presence of the ECB and the European Commission.

¹ Christine LAGARDE (BCE) is radiant to present «her» school class 2023; Pascal DONOHOE (Ireland) is the president; Bruno LE MAIRE – France, aware of the negative impact of this photo for his next candidacy for the presidential election in 2027, is missing from the photo.

On 4 June 1998, the **Eurogroup** was formalized following the adoption of Economic and Monetary Union (EMU) during the organization of a first meeting with great fanfare at Senningen Castle (Luxembourg).

On the other hand, it was not until the reform of the Treaty on the Functioning of the European Union in 2009 to know its official existence.

It is Article 137 of the TFEU (EU Operating Treaty) that introduces the designation "**Eurogroup**" and qualifies its contours by giving it full powers to set "the *common monetary policy*", without ever drawing up any report since this Article 137 specifies that: "*they shall meet informally*".

All EU finance ministers participate in the Eurogroup but only Eurozone members are allowed to vote on decisions taken concerning the euro; most Council decisions are taken by qualified majority ⁽²⁾.

In reality, the Eurogroup is remotely controlled by the Bank for International Settlements (BIS), which in turn is led by representatives of the most important commercial banks. They are the ones who require the appointment of 'competent persons' in the banking sector to take the helm of the national central banks.

With the validation of the **Banking Union**, all the powers of creation and distribution of "money" will rightfully return to the TOP-50 of European finance: nec plus ultra, the "specialists" are followers of **Modern Monetary Theory** which advocates the creation of more and more liquidity.

They are therefore the masters of the "tap", from the production to the distribution of liquidity among "people of good company".

The system is mafia-like.

Indeed, with the euro-crypto, they will be able to increase volumes by presenting "the bill" to the people after "activating" the automatic guarantees of the EU.

French version: <https://www.alter-europa.com/fr/livres-collection/>

English version: <https://www.alter-europa.com/books/>

B. THE BALANCE SHEET OF THE BIS.

a) A SULPHUREOUS STORY

The BIS was created on 17 May 1930 by eight central banks.

The aim of those central banks was to manage the war reparations which had been decided at the Treaty of Versailles (1919).

Financially, Germany was forced to pay reparations to the tune of 132 billion gold marks, the equivalent of 47,312 tons of gold.

- For the record, the France had to pay Prussia – under constraint – the sum of 5 billion gold francs: one billion in 1871, plus 0.5 billion in 1872 and all settled in March 1874 with an interest rate of 5%, which brought the debt to 5.3 billion.
- This sum corresponds to **16,125 tons of gold**: a debt that the French have fully paid. The Prussians also demanded full control of their plethoric army for three years after having seized Alsace and Lorraine.
- These repairs represented 30% of the National Income of 1872 (19 billion) and 230% of the Public Budget in 1872 (2.3 billion) and they brought the Public Debt from ±55% in 1871 to ±80% after three bond issues issued by the Banque de France (1.530 billion; 2.225 billion and 3.5 billion), for a total of 7.255 billion gold francs).

The damage on French soil was estimated at more than 3 billion gold francs, and of course covered by the French state.

The war of 1914-1918 had of course caused considerable damage to the victim countries, in material losses and human losses : much more than the losses suffered by Prussia during the war of 1870.

Strictly financially, Germany could have paid its war reparations, but it adopted a trick strategy of not paying them.

- Before any restructuring, Germany's public debt had even decreased: from 32.8 billion gold marks in 1913 (63% of its GNP in 1913) to 25.2 billion in 1920 (48% of its GNP).
- By way of comparison in 1920, the debt of France had risen from 33,637 billion (67% of its GNP) to 66,953 billion (135% of its GNP).

That of England had increased from 711 billion pounds (33% of its GNP) to 3.160 billion pounds (67% of its GNP).

- After the issuance of bonds, all subscribed by the allied banks, various loans were issued (52 billion and 82 billion), the public debt quickly rose to 77.2 billion (147% of GNP), then to 157.2 billion (299% of GNP).

² For other major EU decisions, unanimity is needed: revision of the Treaties, social and fiscal harmonisation, etc.

- **However, it was precisely this last loan of 80 billion that allowed Germany to create hyperinflation from 1923.**

It was the fault of the commercial banks, attracted by high yields, and the consequence was clear: thanks to this "international" loan, Germany had transferred the burden of war reparations to the creditor banks whose maturities were melting like snow in the sun.

The rest is easier to understand. Commercial banks have shifted their problems to their central banks and the BIS was about to see the light of day.

The outcome of these bitter discussions can be summarized quickly.

- Germany paid only 15.6% of the total posted at Versailles.
- By including the partial repayment of the last loan ($\pm 42\%$), it would have finally repaid € ± 85 billion, or $\pm 39\%$ of its GNP of 1913 by spreading its private debt (vis-à-vis commercial banks) over a period of 14 years.

<https://www.les-crises.fr/wp-content/uploads/2015/09/albrecht-ritschl-les-reparations-allemandes-1920-1933.pdf>

Everything else went into the public finances of the victim countries through a bailout of allied commercial banks, encouraged by the Americans.

<http://www.jstor.org/stable/4545835>

On the other hand, this German strategy of hyperinflation was the primary cause of Hitler's rise to Power, and of a second even more deadly war whose reparations Germany still avoided.

This has never stopped the German authorities from being arrogant in dealing with the monetary and financial difficulties of their "generous" creditors.

b) FROM THE OUTSET, THE BIS WAS AN UNHEALTHY ASSOCIATION.

Montagu NORMAN, co-founder of the BIS, "*added the French to his list of black sheep alongside Jews, accountants and Scots!*" (WIKIPEDIA).

He was the gravedigger of the pound sterling by advocating the return of the "gold convertibility" in force before the 1914-1918 war.

It was also he who allowed the **transfer of Czech gold** (country invaded on March 15, 1939) to Nazi Germany.

Hjalmar SCHACHT, the other co-founder and great friend of Norman, became Hitler's Minister of Economy (1934 – 1937).

He was the organizer of the looting of Belgium during the war of 1914-1918 and was the promoter of the mercantilist doctrine, still in force in Germany: it is always necessary to display lavish trade balances to the detriment of the most peaceful neighbors and partners.

Walther FUNK (1860 – 1960) was the first Director General of the BIS.

He was closely linked to the Nazi regime, occupying the sulphureous posts of secretary of the Ministry of "*People's Education and Propaganda*" under the orders of GOEBELS.

He became Chairman of the Reichbank (forerunner of the Bundesbank) and Reich Minister of Economy (1938–1945).

He was found "*guilty of crimes against peace, war crimes and crimes against humanity, in particular for having accepted into the vaults of the Reichsbank the gold extorted by the SS from the deportees, he was sentenced to life imprisonment at the Nuremberg trials. He was released from Spandau prison for health reasons in 1957*" (WIKIPEDIA).

c) A BANKERS' SYNDICATE

The BIS successfully fulfills its first mission, that of "saving the banks in all circumstances".

This is the beginning of the Neoliberalism System : bankers can take all risks with impunity since the states 'governments systematically bail them out to erase their losses.

And so, to always "earn more", the bankers demanded more and more freedoms to the point of relegating "The Treasury" to the background in all the ministries of finance.

From now on, the National Central Banks and of course the ECB are managed by senior officials, having obtained the approval of the BIS to take control of public finances and to impose all their conditions on the European Council via the "informal meetings" of the Eurogroup, in which the ECB sits.

d) KEY CHARTS OF THE BIS OF THE YEARS 1975 - 2023

Baron Alexandre LAMFALUSSY, born Lámfalussy Sándor (Hungary) in 1929, obtained Belgian nationality in 1962 before becoming a Belgian banker (Banque de Bruxelles), then Managing Director at CNP-Assurances and FORTIS (the misnamed).

He was appointed professor at UCL (Louvain) after having attended all the major neoliberal universities of the Anglo-Saxon world (Oxford, Yale).

In 1976, he joined the BIS and became General Manager from 1995 to 1993.

It was he who first infiltrated the **DELORS Committee (1998 – 1989)** to impose the single currency and its Maastricht Treaty (1992).

To properly implement the neoliberal recommendations, he created the **European Monetary Institute** (1994) and took over its management between 1/1/1994 and 30/06/1997.

*"In 2000-2001, he headed the Committee of European **Wise Men**, which was responsible for developing new rules to regulate European securities markets in order to make them more flexible, efficient and transparent."* (WIKIPEDIA)

European Finance is now "free"; on the other hand, it still comes up against German orthodoxy that rejects deficits and public debts.

This German lock "jumped" with Jens WIEDMANN.

Jens WIEDMANN was dismissed from the General Management of the BIS by Angela MERCKEL who appointed him to the post of Governor of the Bundesbank for almost eleven years (2011 – 2021).

However, he became Chairman of the Board of Directors between November 2015 and January 2022.

He criticized the France for its "excessive" public spending and recommended that it adopt economic reforms on **the "model of Germany" whose dubious effectiveness we will evaluate**.

With Wolfgang SCHÄUBLE, he firmly condemned Greece to the worst torments by indebting it «in perpetuity» instead of «making pay» the insurers and non-greek bankers who had taken advantage of the favourable (but risky) rate differentials by buying Greek government bonds.

Better still, he never condemned the appointment of Loukàs PAPADEMOS as vice-president of the ECB (under TRICHET, 2002 – 2010). And yet, L. PAPADEMOS had occupied the functions of deputy governor and governor of the National Bank of Greece by adopting the monetary policies that led to the bankruptcy of the Greek State..

J. WIEDMANN finally resigned from the Bundesbank at the end of 2021, amid disagreements over European monetary policy, but he forgets that he was one of the gravediggers of European countries' public finances by "saving" the banks, including Commerzbank and Hypo Real Estate. However, precisely, these two banks were bankrupt following the "subprime (loan) crisis, named in this way to avoid questioning the ECB's "dovish policies".

François VILLEROY de GALHAU, his successor as Chairman of the Board of Directors of the BIS, was born on 24 February 1959 in Strasbourg. He is one of those people who calculate the drop of blood that connects them to figures of the upper part of Burgundy and the upper aristocracy, more than three to four centuries old.

As French civil servant, he obtained his ascension to the Treasury thanks to the Socialist Party (MAUROY, BEREGOVOY, JOSPIN, STRAUSS-KHAN) before becoming Deputy Chief Executive Officer of BNP Paribas from 2011 to 2015.

He has been Governor of the Bank of France since 1 November 2015.

He is of course in the advanced positions of the BIS and the ECB for all the neoliberal advances : "*Prudential control and resolution*" (how to bail-out the Financiers), "*Financial Stability*", "*Security of means of payments*" (on international financial markets, for which the famous e-euro is a "security" objective), ...

Augustin CARSTEN, Mexican, holds the position of Director General of the BIS since November 2017.

He aimed at the management of the IMF but was beaten by Christine LAGARDE in 2011 who, for the record, had no experience in the bank; but she had been recognized as a «competent person» after her time in the sulphureous team of Nicolas SARKOZY.

In October 2008, the French President (2007-2012) stated that he had put in place a rescue plan for French banks in order to "*avoid making the French bear the exorbitant cost of a failure of the entire banking system.*"

In 2023, we know that the State Aid Approved (€425.3 billion) finally cost the French €587.4 billion (State Aid Used).

In addition, it was enough to nationalize the banks and insurance groups concerned by the bail-out to save the French financial system (not just the banks) and the finances of the French State.

Indeed, stock prices were so low that France could increase its financial assets by buying these financial monsters at very low prices.

Christine LAGARDE was on the bridge to help Finance bosses avoid convictions for their risky management.

Thank you, Christine! **She had a bright future ahead of her.**

II. USUAL METHODS TO "TAKE STOCK".

A. FIRST METHOD: GNP GROWTH

a) GROWTH IN %

This is the usual method used by official bodies to make announcements to the press: they comment on the percentages of variation of official statistics or those of indices. Here are the types of comments that INSEE (France) transmits to the media that hasten to disseminate "information":

"GNP slows down in the fourth quarter of 2022 (+0.1% after +0.2%). On average in 2022, it increases by 2.6%."

Quarterly national accounts - first estimate - fourth quarter 2022.

<https://www.insee.fr/fr/statistiques/6795343>

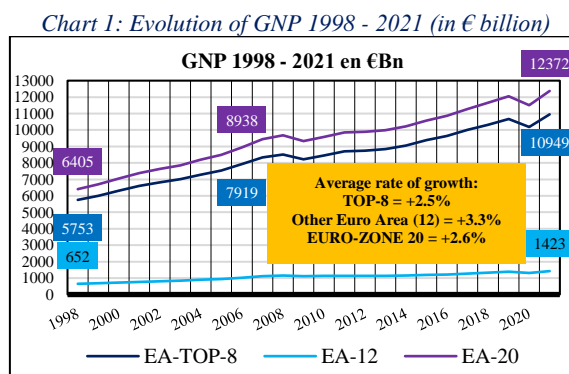
It's wonderful, the France is really healthy!

However, it is enough to go back to the history of GNP in current value to "see" that this growth is part of a broader context: in relation to COVID 2020, then in relation to the war in Ukraine, then in relation to the explosion of inflation.

b) GROWTH IN CURRENT VALUES

It is rare to find the current GNP figures over a long period of time and, therefore, let us take the opportunity by looking at the following graph.

The eight most financially rich countries are: Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg and the Netherlands.



After 23 years of living together, they still represent nearly 89% of the wealth created by the E.U; moreover their growth (including inflation) was low (+2.5%).

c) GNP IN CURRENT VALUES EU - UNITED STATES 1995 - 2019

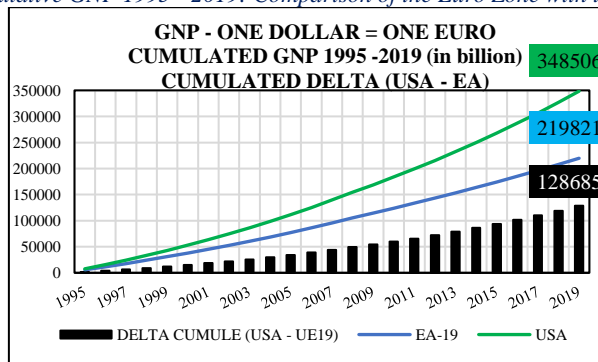
In the book "Dollar and Euro: How Finance Killed Our Democracies...", we made the comparison with the United States. <https://www.alter-europa.com/fr/livres-collection/>

This comparison was made for the period 1995 – 2019 to take into account the Maastricht Treaty which led to the creation of the EMU in 1994, and thus to the "harmonisation of economic and monetary policies".

To make this comparison, we simply used the US Charts in dollars and the European Charts in euros: in other words, we did not want to introduce any exchange rate adjustments.

The least we can say is that this chart, based on **ONE dollar = ONE euro** throughout the period, reflects the **disastrous management of the euro**. Chart 2 proves that our bankers have plundered Europe and condemned it to marginalization within the World Economy (Chart 25 in the book).

Chart 2: Cumulative GNP 1995 - 2019: Comparison of the Euro Zone with the United States



The United States earned (cumulative) GNP of \$348.5 trillion compared to €219.8 trillion for the Euro Area, or +58% more (+\$128.685 billion or €128.685 billion).

B. SECOND METHOD: DEFLATED GNP

a) CALCULATION OF INFLATION BY THE ECB

In the book cited, we denounced the methods used by the ECB to make us believe that it controls inflation.

This is vast sham for three reasons.

- 1) **It is impossible to follow the price evolution of several thousand products and services in so many countries (Europe) or States (United States).**

This is true for the European Union, and also true for the United States, because the populations live very differently from North to South, from East to West, in large cities, in small inland towns, in the mountains and in the most remote countryside. In addition, food manufacturers do not hesitate to regularly change the packaging and weight of their products: price tracking is therefore impossible... but not for the officials concerned (see the book).

However, the ECB publishes its HICP for consumption (Harmonised Index of Consumer Prices) in the first half of the following month.

Question: Is this an feat or an aggravated deception?

Let's not weigh our words: this index serves as a reference for hundreds of our contracts and our income, especially for the revaluation of our various contributions and our pensions; the manipulation can therefore be described as "verifiable" and "aggravated deception".

- 2) **To track inflation, we need to define a basket: the ECB's, represented in Chart 2, classifies our (assumed) spending into percentages, with the total representing 100%.**

Most of our readers will not spend much time on it because they have never thought about a classification of their own expenses of this kind.

So that they understand the importance of this selection of Goods and Services, we applied these percentages to the Median Disposable Income of French people in the Metropolis in 2019, which was €19,387.

To understand the danger of the median (50% earn less, and 50% earn more than the amount indicated), it should be known that 10% of this population earns € 11,910 and 10% earn € 39,920.

Chart 3: Goods and Services basket, ECB HICP calculation basis

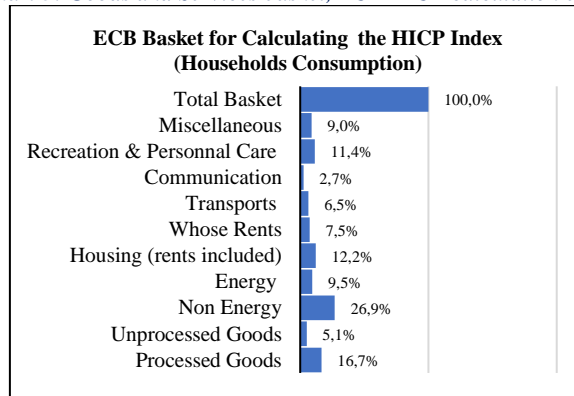
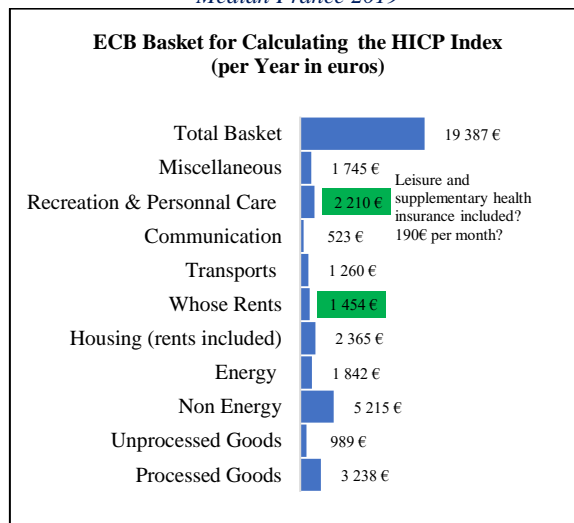


Chart 4: Translation into Euros for Disposable Income Median France 2019



And so imagine what the ECB's consumer basket can give for an income of €11,910 knowing that, in Chart 3, the distribution of expenses is already grotesque.

According to the ECB, "the privileged households" (median income) spend only €120 per month on rent (€1,454 per year) and €197 per month (€2,365 per year) if they are owners (insurance, taxes, financial borrowing costs, maintenance).

They even have a "leisure and health care" item of € 194 per month (€ 2,210 per year) which makes it possible to ask the question of leisure (including holidays) knowing that complementary health continues to increase.

It is useless to pursue the foundations of the "happiness" of the French to spend so little on energy and processed products (purchases in stores).

It's sickening.

All journalists, however, relay the ECB's "information" on its "control of inflation": no one has ever had the idea of dissecting this clue.

3) The ECB changes its base almost every ten years, but no one in the media has noticed.

The basket remains the same: the ECB just resets the counters, which supports the official message: "The ECB is doing an wonderful job! ».

Read the media, that's exactly what they've been telling us for over twenty-five years.

Chart 5: Base changes (zero counters)

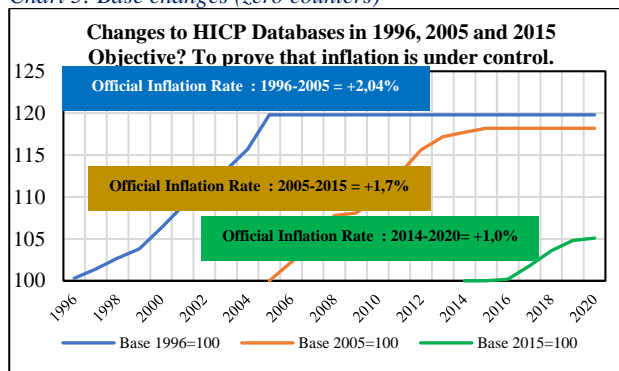
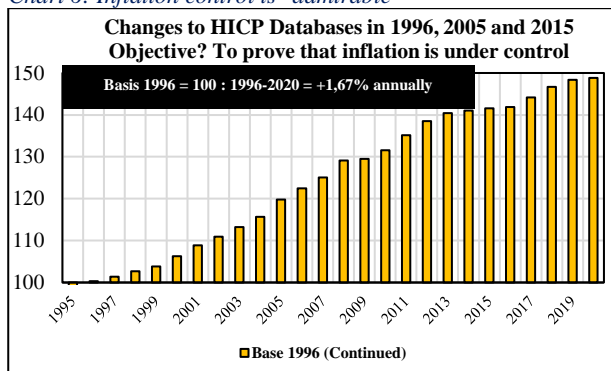


Chart 6: Inflation control is "admirable"



b) OBVIOUS DECEPTION: CONFIRMATION BY EUROSTAT.

To convince ourselves of this scam, we just have to consult the EUROSTAT website.

Average inflation in the Eurozone has not been 1.67% as claimed by the ECB but 6.2% since the first publications of the European Monetary Institute (1994).

Chart 7: Eurozone - Average inflation 1996 - 2020 according to EUROSTAT

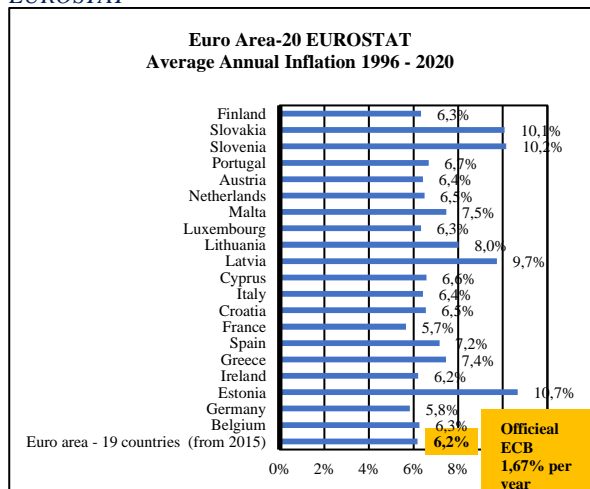
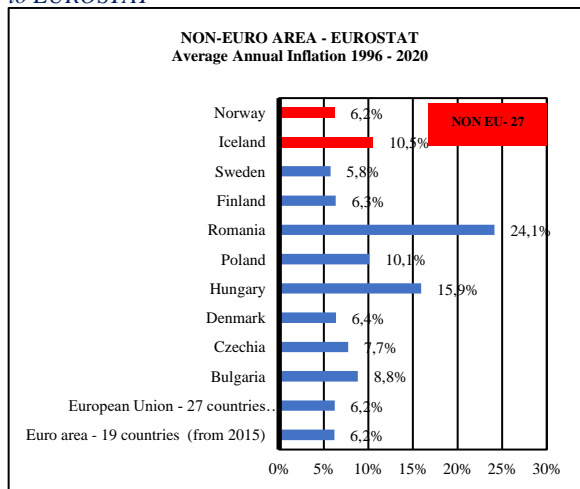


Chart 8: NON-EURO - Average inflation 1996 - 2020 according to EUROSTAT



c) DEFLATED GNP D RESULTS 1998 – 2022: ECB AND EUROSTAT

The sum of "deflated" GNP is of course very strongly impacted by the inflation rate used.
 In EUROSTAT version, the sum of deflated GNP represents 51.8% of GNP in current value.
 In ECB version, the sum of deflated GNP represents 81.8%.

Chart 9: Sum of GNP 1998 - 2022 (€ billion)

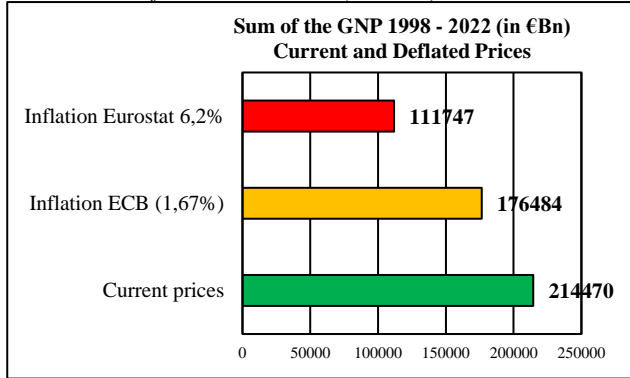
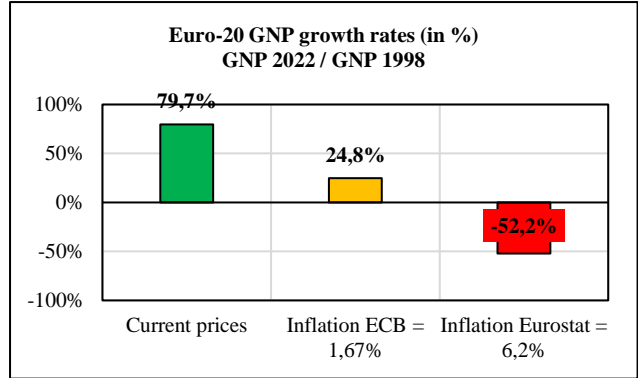


Chart 10: GNP Growth Rate - Delta 2022/1998



To obtain Chart 9, we simply "updated" all GNP flows 1998 – 2022, at different rates: 0% for GNP at current prices; 1.67% for GNP deflated at the ECB's official HICP inflation rate (the soup of the Harmonised Index of Consumer Prices); 6.2% for GNP deflated at EUROSTAT's official inflation rate.

The sum of these flows, "deflated" or "not deflated", gives us this Graph 9.

All of us, the Europeans of the Eurozone, have been robbed of much more than €100.000 billion (214,470 – 111,747) by these "*conventional and unconventional policies*" of the ECB which has obtained the monopoly of the creation and distribution of "our currency".

ECB got the privilege to act "independently, far from the peoples and their representatives who do not even have the right to ask questions.

To add a little more perversity, the BIS has gained more and more freedom to circulate this "button-press money" at lightning speed, all over the world, thanks to its "wholesale" payment systems.

In this register of Hubris,
 the more rights the powerful get, the more rights they want.

The euro-crypto will be the culmination of this system of new freedoms, wanted by the Banking Union (TOP-50) and covered by the guarantees of the European Union.

It does not matter what these "freedoms of movement" are intended since the Commission considers all tax havens to be "slightly grey".

So all shots will be allowed.

**International transfers will be anonymous,
 they will be more and more free to launder here or there,
 and they will be put "under lock and key" (digital)
 in incomplete blocks,
 themselves made hermetic thanks to digital keys.**

C. THIRD METHOD: GNP VERSUS MONEY M3

a) MONEY SUPPLY EXPLOSION

Another method can be used to measure Net Wealth creation: it is necessary to imagine the sale of a grand cru (sorry, we are in France).

All reputable estates "age" their wines to bring them to the pinnacle of their quality (and their market value): starting from a quantity of grapes integrated into the cost of the bottle at cost price, they create Net Wealth by aging their grands crus. They must of course deduct from their selling prices their labor and financing costs as well as their losses in volumes ("the angels' share") related to the improvement of wine.

On the other hand, if they added water to their precious vintages, everyone would easily understand that, of course, they would sell more bottles but the quality would no longer be there. Very quickly, their reputation would be called into question, and they would be driven into bankruptcy if they continued this disastrous practice.

Curiously, we too are on the verge of bankruptcy because our GNPs are always calculated in current value with "ever more water in the bottles": it is also by the term "liquidity" that we commonly refer to the M3 money supply.

The least we can say is that we have been "underwater" since the 1980s.

Chart 11: M3 - Euro area - December 1998 - December 2022

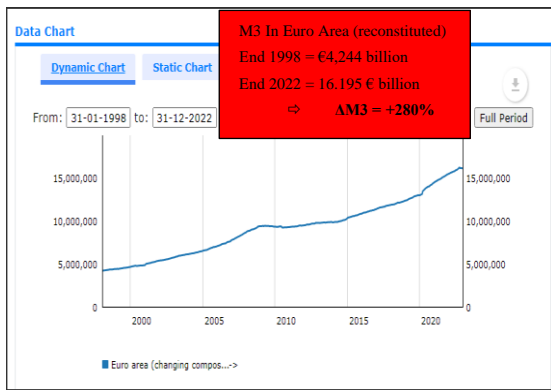
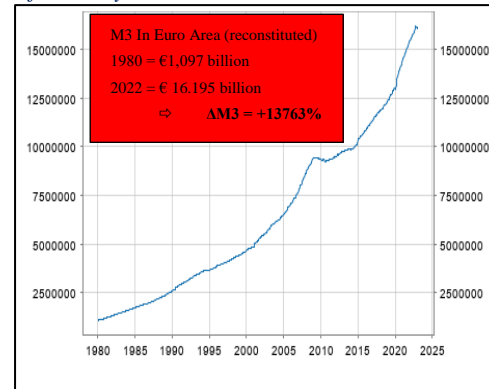


Chart 12: Aggregate M3 (stock) – the system has been ultra-inflationary since 1980

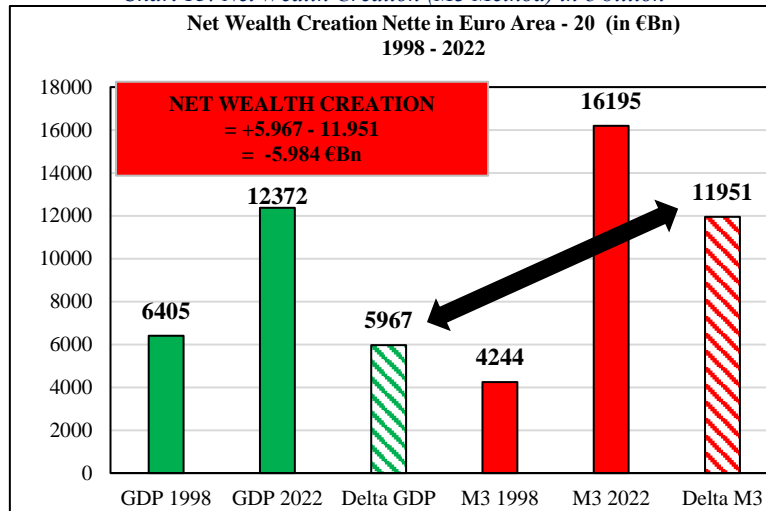


b) NET WEALTH CREATION IN THE EURO AREA 1998 - 2022

By analogy, we have "made" a lot of wine but it is of very poor quality.

In other words, all this "production" will end in vinegar.

Chart 13: Net Wealth Creation (M3 Method) in € billion



The more time passes, the worse the situation becomes: GNP has grown half as fast as "liquidity".

c) **SO WHY SO MUCH LIQUIDITY?**

Central banks have the "tap power": they create button-press money at arm's length, and they distribute it among the "good company 'peoples'" who allow them to appropriate even more wealth.

At the same time, insurance companies and their pension funds obtain a whole bunch of tax and social passes to concentrate more and more money in the long term in their hands (life insurance and supplementary pensions).

Clearly, the excess liquidity comes both from the ECB's "conventional and unconventional policies" but also from large bank accounts held by financial and non-financial companies evading taxes.

These tax excesses, encouraged by the free movement of liquidity, of course fuel social inequalities; they also deteriorate public finances; they fuel international interest rate and exchange rate competition through OTC markets, the existence of which can be summarized as: *"The more abundant a currency is, the more it overflows"*.

In other words, *"the concentration of money destroys money"* which ends up no longer properly fulfilling the five functions expected of it:

- **The numeral function** is no longer exercised correctly since goods and services fluctuate according to speculation (several forms). The unit of account (one euro) is only a distant memory for speculators who now reason in trillions (a thousand billion); It becomes inaccessible for the poorest (who lack jobs and decent incomes).
- **The transaction function** is undermined by open and hidden inflation (practices of food multinationals or not).
- **The reserve function** is also undermined by this same inflation; our pensions and life insurance are melting like snow in the sun (except for High Finance).
- **The credit function** is reserved for people of good company: too expensive for some, too abundant for others; too often undermined by the "Stop and Go" monetary policies of central banks;
- **The capital function** is swallowed up by High Finance: the stock market and the bond market are under their domination, just for them.

The logical continuation is known: the Society is no longer progressing, it is regressing.

d) **WHY IS "REAL" GNP NO LONGER GROWING?**

With all this money, these two actors "kill" our wealth creation system, which depends solely on two heritages: human heritage and organizational heritage.

They have acquired all the freedoms:

- They can move "our" savings all over the world to speculate on everything that moves;
- When they win, they put this money well away in increasingly obscure "financial vehicles" that of course allow them to pay less and less taxes.
 - These structures are becoming so opaque that they no longer simply steal the returns on these "investments"; they even steal our savings.
- When they lose, the Eurogroup (which dominates the European Council) allows them to erase immense losses (recorded by their "financial vehicles" located in the darkest paradises); this body therefore allows them to shift their losses into our national public spending, and soon into our European spending.
 - our Public Debts are exploding.

They have picked up "the oldest recipe in the world" since "physical currency" came into existence with High Finance increasingly creating "counterfeit money" and demanding bank guarantees to create a "new currency": the e-euro.

e) **CONSEQUENCES**

Clearly, our bank-insurers "kill" our men, women and children.

And they "kill" all the humanistic foundations of our Society:

- ✓ **The cult of difference** that allows everyone to express their talents and motivations in the dignity of their person and family;
- ✓ **Individual progress** (human capital) that is achieved through education, teaching, regular training and of course quality jobs;
- ✓ **Collective progress** (organizational capital), achieved by decentralized information systems and constant research to improve working conditions.

We have given the keys to our future to barbarians.

III. OUR METHOD: COMMON SENSE.

A. NET FINANCIAL WEALTH AND NET INCOME

People of common sense know that if they increase their consumption by taking on more and more debt, they will end up destroying their existing wealth.

a) EXAMPLE.

- 1) Mr. and Mrs. X own a house valued at 300,000 euros.
- 2) In reality, this house does not belong to them 100% because there are €150,000 left to repay on the mortgage contracted with their bank: their real assets are therefore 150,000 euros.
- 3) Mr. and Mrs. X have incomes of €25,000 net per year (i.e. €40,000 gross).
- 4) In other words, their debt (150,000 euros) represents SIX years of their net income (€250,000).
- 5) On the other hand, their annual repayments amount to €8,000, which creates a natural enrichment since the corresponding rent is estimated at €12,000 per year.

b) THE RISKS ARE ENORMOUS.

Clearly, Mr. and Mrs. X have an annual net income of €17,000 per year (25,000 – 8,000).

With galloping inflation, not only can they no longer "make ends meet" (€1,416 per month) but they also risk losing their jobs.

In return, their house is (temporarily) increasing in value: it is now worth 320,000 euros.

We have all the ingredients of the "subprime crisis".

- Either Mr. and Mrs. X sell their house and repay their loan: this is the wisest solution in the immediate future even if their remaining capital is condemned to suffer erosion for the reasons stated (inflation, loss of employment, loss of income).
- Either they obtain consumer credits (very expensive) by counting on a resale value of 400,000 euros.

Meanwhile, "the crisis" is affecting more and more people.

The "owners" are caught in the trap anyway.

They will find themselves poorer over time.

Their bankers will have no qualms about selling their house to repay themselves, and Justice does not hesitate long before putting them on the street even if they have no alternative.

In the case of Mr. and Mrs. X, wealth creation was insufficient and risky to the point that they were caught up by this pincer effect of falling net income and rising debt repayments (more loans at higher rates).

This "debt rule" is of course valid for states.

c) MARGINAL REASONING

Net Wealth Creation: Our Secret Boot.

It consists of calculating for each year the **GNP DELTA** and the **PUBLIC DEBT DELTA**.

Whether for individuals or States, debt must make it possible to generate national wealth creations, which is not always the case.

For the most informed readers, the GNP increases according to:

- Consumption (Public and Private),
- Investments (Public and Private)
- and the evolution of the (positive) Trade Balance.

However, the strategy of the European Union is typically based on the opening of borders - without taxes - for all Goods and Services. In this liberal logic ⁽³⁾, the ECB favors a strong currency to minimize the costs of energy, raw materials, semi-processed products and increasingly processed products.

In other words, industrial investment on European soil is the poor relation of this liberal strategy that maintains the myth of growth by encouraging imports from low-wage countries.

It is this phenomenon of "**imported deflation**" that makes it possible to "support consumption" because, without an increase in wages and pensions, citizens would not be able to buy Goods and Services produced entirely on European soil. In parallel, they will buy products of questionable quality in Hard Discount stores.

³ Not to be confused with the neoliberal doctrine that offers all freedoms to High Finance.

Even investments in research and development are neglected to the point that virtually our entire service sector is disappearing: American dominance in all these areas has become unbearable culturally and freedom-wise. Indeed, America invents every day a little more new tools to spy on us and dominate us. Even our IT and business services are increasingly outsourced to India, Morocco and other dictatorships.

This policy always ends in colossal trade deficits: this is the case for most European countries. Even Germany will suffer the same fate.

Clearly, the neoliberal logic is a vicious circle: if financiers and multinationals can make money easily by using our savings to speculate against us, the beautiful house of cards ends up crumbling.

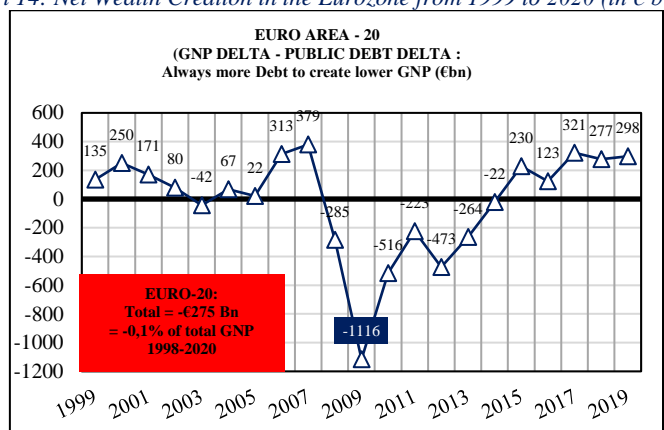
The rule is clear: national wealth depends on the individual and collective wealth of citizens, their local businesses and their states.

B. IMPOVERISHMENT OF THE EUROZONE

a) OVERVIEW

This first graph proves that *"we have worked for less than nothing"*, all together within the Eurozone. Since 1998, Finance has destroyed everything we have created, and it has even impoverished us by -275 billion euros. **This is outrageous.**

Chart 14: Net Wealth Creation in the Eurozone from 1999 to 2020 (in € billion)



The eight richest countries (financially) "really worked for nothing (+€19 billion)"; on the other hand, the other twelve countries "worked to become poorer (-€294 billion)".

Chart 15: Net Creation for the Eight Richest Countries in the Euro Area 1999 - 2020 (€ billion)

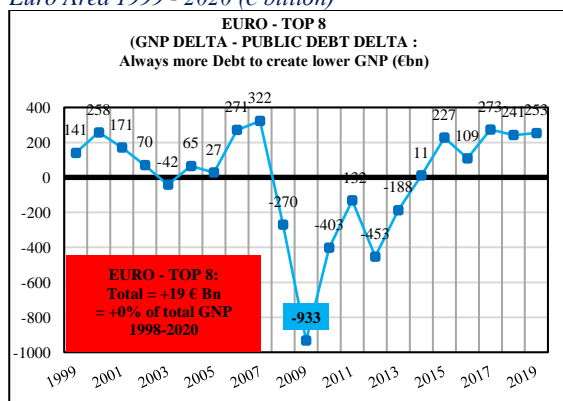
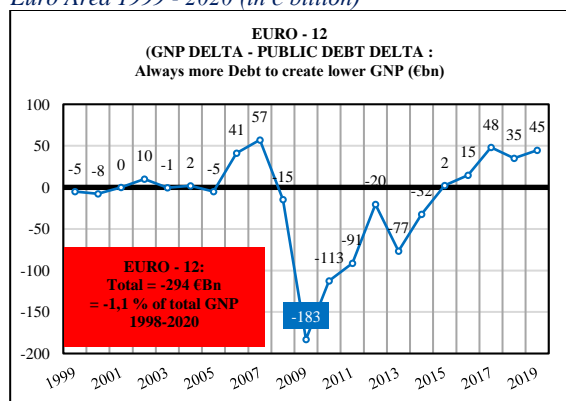


Chart 16: Net Creation for the Other Twelve Members of the Euro Area 1999 - 2020 (in € billion)



TOP-8 = Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg and the Netherlands

b) "THE WINNERS"

In relative terms (relative to their GNP), Luxembourg, Ireland and the Netherlands are the big winners. But at what price!

They rob their neighbors for next to nothing!

As for Germany, and its "great model of good management", the masks are falling. No, Germany is not a "model": it has placed its future in the (losing) strategy of neo-mercantilism!

This strategy has empowered the world's worst dictators, and it has weakened its most reliable neighbors.

Chart 17: Luxembourg: Impoverishing your neighbours for "Almost Nothing"

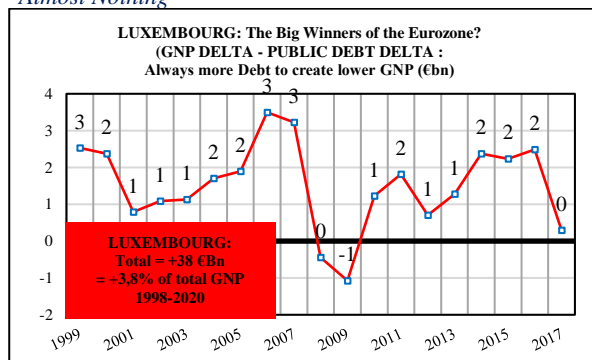


Chart 19: Netherlands, Creating a "European Statute" to enrich "The land of lesson-givers"



Chart 18: Ireland, Becoming the US Financial Haven

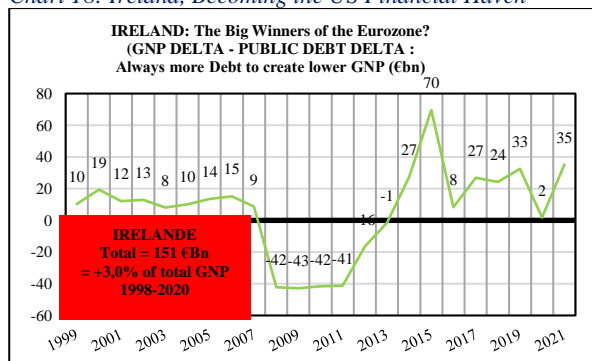
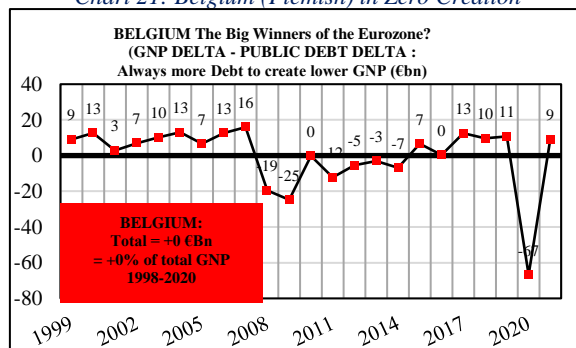


Chart 20: "The German model"?



Chart 21: Belgium (Flemish) in Zero Creation



c) THE BIG LOSERS

The neoliberal logic can be read in the following graphs.

The three major southern countries (France, Italy, Spain) are ranked among the four richest countries (financially) in the European Union (EU-27) : Nb 1, Nb 3 and Nb 4, Germany being the Nb 2.

And yet, they are the ones who have lost the most national wealth since the creation of the euro.

What is this logic?

We have clearly outlined this system in the articles on France:

<https://www.alter-europa.com/fr/2022/10/12/politiciens-irresponsables/>

and

<https://www.alter-europa.com/fr/2022/10/12/france-pays-ue-riche/>

These countries have given huge gifts to their bankers and insurers: they are paying a high price.

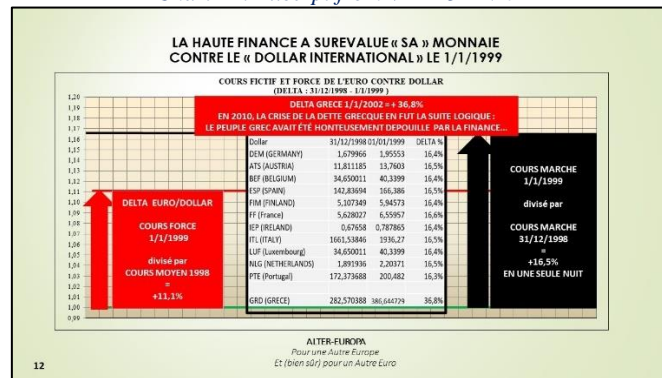
Meanwhile, their High Finance has preferred to speculate on the OTC markets rather than favor industrial investments and investments in R&D.

For Greece, it was the introduction rate of the euro that destroyed citizens' wealth and income.

It was necessary at all costs to "save the Greek banks" who had taken advantage of the windfall of low interest rates of the euro "to do anything".

The ECB therefore imposed a **notional rate of +36.8%** for the conversion of previously defined monetary and financial assets into drachmas.

Chart 22: Excerpt from VIDEO EN-02



The same goes for Portugal: the launch of the euro was fatal to them.

With a wave of a magic wand, the ECB imposed on them a fictitious price, overvalued by +16.3% for the conversion of previously defined monetary and financial assets into escudos.

Grateful High Finance!

To add insult to injury, the former Governor of the Bank of Greece, Lucas PAPADEMOS, and the former Governor of the Bank of Portugal, Vitor CONSTANCIO, were appointed Vice-Presidents of the ECB under the chairmanship of J. C. TRICHET between 2003 and 2011.

"In 1993, J. C TRICHET himself had been suspected with eight others accused of irregularities at Crédit Lyonnais. He was responsible for the French Treasury at that time. He was cleared in June 2003" (WIKIPEDIA).

Chart 23: Greece, the Sacrificed Country

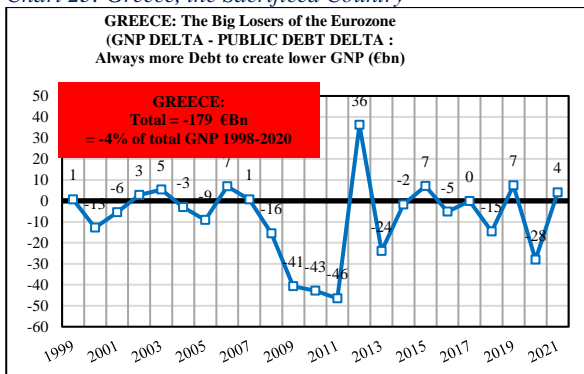


Chart 24: Italy, 3rd richest country in the EU-27

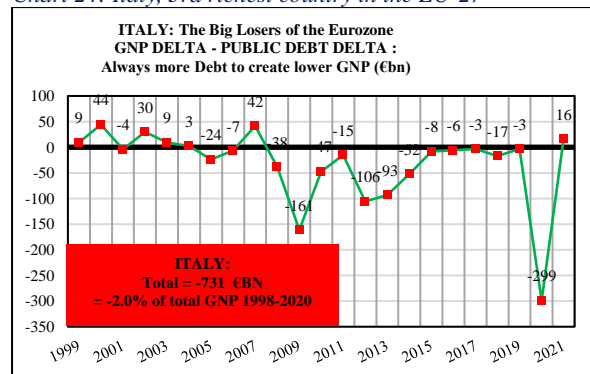


Chart 25: "The Southern Resilience Model"?

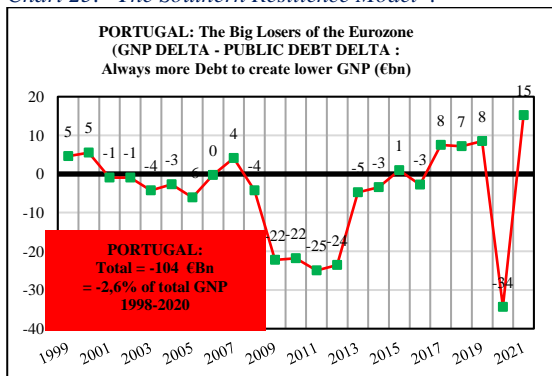


Chart 26: Spain, 4th richest country in EU-27

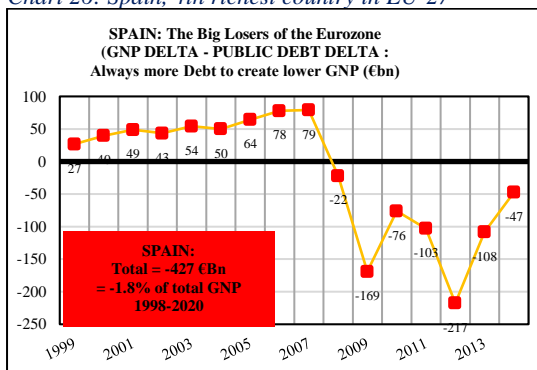
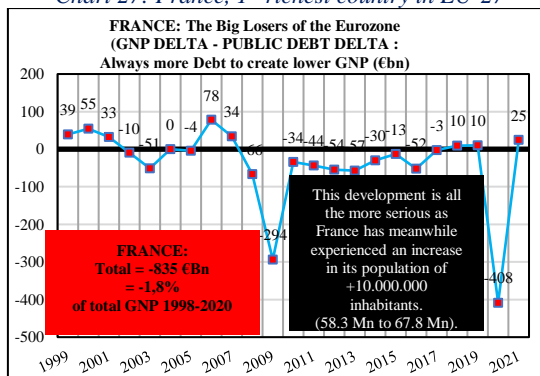


Chart 27: France, 1st richest country in EU-27



d) ENTRY OF CROATIA IN 2022: WELCOME TO THE "PARADISE OF THE EURO"

In June of each year, the ECB publishes a "Convergence Report" which hammers home all the conditions for the submission of member countries to the dictates of their Maastricht Treaty: it is sickening.

It also assesses the stages of progress of the candidates' legislation in the areas of inflation (according to their criteria), deficit and public debt, exchange rates (ERM I before ERM II stage), long-term interest rates, "broad structural reforms" aimed at "improving competition, reducing mismatches in the labour market, to strengthen the efficiency of public administration and the judicial system".

And a little reminder: "Legislation must fully comply with the requirements for central bank independence" (Article 131 of the TFEU). All these conditions combined have led to a constant austerity cure that has impoverished Croatia by -27.5% of its GNP 1999 – 2021.

Chart 28: Croatia 2023: "Welcome to the World of the Euro!"



Indeed, instead of providing an industrial investment plan, with a strengthening of human capital (studies, training, integration), European High Finance has applied its most absolute neoliberal recipes through an overvalued exchange rate for more than twenty years: 7.22 Kuna < Euro < 7.63 Kuna.

The final hanging was made at ONE EURO = 7.5345 Kuna.

Consequence?
Croatia has knelt in the wonderful world of this dictatorship of obedience and silence.
Croatia will suffer the same fate as Greece in less than five years.

C. CONCLUSIONS

a) SUMMARY

We wanted to "take stock of the euro".

Before that, it was imperative to recall the weight of the Bank for International Settlements in Europe, and more and more in the world since now sixty-three (63) central banks are part of this professional union of banks... which now presents itself as an "international institution" and even "the central bank of central banks".

This is false of course.

We recalled the sulphureous past of the BIS before the Second World War.

Like an octopus, it has multiplied its tentacles within the European Union itself to the point that its pilot fish, the EUROGROUP, acts at the very heart of the European Council, the only European institution authorized to draft our laws and decrees.

We stressed that the reverse is not true since, thanks to Article 131 of "their" TFEU, "*the ECB is totally independent of the people and their representatives*".

We used three methods to "take stock."

Of course, we immediately rejected GNP growth in percentages: it's information manipulation and the ECB "loves" these presentations.

1) GNP growth in current values.

- It shows that this growth has not been glorious (2.5% on average over 23 years for the eight richest countries).
- On the basis of current GNP, the agreement with the United States from 1995 to 2019 shows a clear failure (-58%) in 24 years.

2) Evolution of GNP 2022 Deflated compared to GNP 1998.

- The increase was +24.8% with average annual inflation of 1.67% posted by the ECB instead of +79.7% in current values;
- The decrease was -52.2% with average annual inflation of 6.2% calculated by EUROSTAT instead of +79.7% in current values;

Finally, the sum of GNP 1998 – 2022 deflated is catastrophic.

- Together with EUROSTAT's inflation rates (6.2%), it represents -50% (€111,747 billion) of current GNP (€214,470 billion) against -18% with the ECB's inflation rates (€176,484 billion).

3) To understand these changes in value, we have to cross several aggregates and indices: this is what we did by comparing the evolution of GNP Current 2022 with GNP Current 1998 by deducting the quantity of M3 currency introduced during the period.

- Net wealth created between these two extreme years becomes negative by €5,984 billion. Finally, the sum of deflated GNP 1998 – 2022 is catastrophic.
- With EUROSTAT's inflation rates (6.2%), it represents -50% (€111,747 billion) of current GNP (€214.470 billion) against -18% with the ECB's inflation rates (€176,484 billion).

This approach is new and we have detailed the mechanics of a pincer effect: the more M3 increases (DELTA), the less GNP it creates (DELTA).

In monetary history, counterfeit currencies were replaced every twenty years by new currencies, of a lower weight or a more vulgar metal.

We will not escape this rule since the hidden project of «euro-crypto» is part of this logic.

Taking this analysis of GNP Created and Debt Created, the findings are simply unacceptable.

- **The Euro-20 zone was impoverished by -€275 billion** (or -0.1% of GNP) between the end of 1998 and the end of 2020: the eight richest countries (TOP-8) stagnated (+€19 billion) while the other twelve countries became poorer (-€294 billion).
- **The "German model" was no exception to the rule:** hard-working Germany worked for practically nothing (+€328 billion, or +0.5%).
- **Belgium gets away with +0%.**

- **The big winners are the predators: Ireland, the Netherlands and Luxembourg.**

Ireland is however the country most threatened by the camouflage of colossal state guarantees (€911.8 Bn) granted to its banks during the 2007-2019 crisis: the "Celtic Tiger" risks once again falling from its pedestal for having offered American multinationals all the keys to entry into Europe at an almost free rate. This is unconsciousness.

The Netherlands "play" on all fronts to shelter the holdings of European multinationals by covering their illicit operations, and by welcoming the retirement hat of their leaders. They are complicit in theft and embezzlement.

Luxembourg secretly negotiates agreements with each of the financial and non-financial groups: it is also complicit in theft and embezzlement.

- **The big losers are the countries of the South: France, Italy, Spain, Greece, Portugal.**

The big three have given lavish tax and social gifts to their banks and insurers while Greece and Portugal have been eaten away by their incompetent bankers.

- **Croatia is the new entrant: it has paid dearly for entering this trap of the protective euro.**

It will end like Greece in less than five years: even the seeds of the squeezed lemon will have disappeared.

b) THIS SYSTEM OF NEW FREEDOMS IS FRAGILE.

Since the years 1975 – 1980, this system has attacked all our fundamental rights (right to subsistence and right to exist) by weakening us a little more every year.

It is simply necessary that our current "irresponsible" politicians do not get the wrong enemies:

- When a war is declared by an enemy (external or internal), the role of politicians and the media is to clearly identify the adversary and the weapons he uses.

It is not to weaken the soldiers a little more by agreeing to debate on "even more savings" to be made here and there.

The battlefield is elsewhere: that is what we are proving.

- They must address the root causes of this evil that is eating away at us, and to do so they must first understand the foundations of the "*new system of new freedoms*."

However, we hear them barking louder than others: "*we must attack super-profits*"; "*we need more social justice*"; "*the rich must be attacked*"; "*we need a green economy*"; "*tax havens must be tackled*" (they forget to attack "*social havens*"); "*savage capitalism must be tackled*"; "*tax loopholes must be tackled*"; "*social niches must be tackled*"; "*we must fight against social assistance*"; "*the rights of the unemployed must be reduced*"; "*We must fight against immigration*" ...

Sorry not to reveal the only strategy that can succeed in less than five years!

Yet it is simple, and "*the most knowledgeable*" will understand.

But, even if they have understood, they will forget the twists and turns that this system will take to escape any reform, and especially to avoid losing all their gains.

It is therefore necessary to "work" these points very seriously, in order to achieve the goal by the band, a common practice of the pool champions.

We remain at your disposal, first to prepare the spirits,
then to prepare the plan of attack.

We have no choice: it's them, or it's us.

Our (old) civilization is in (great) danger!

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