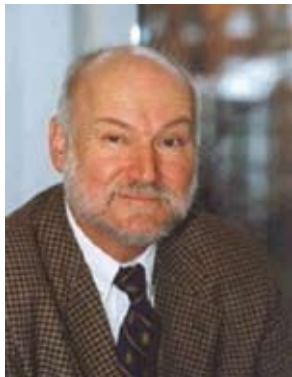


# Court Challenge to Lisbon Euro-System

*Joachim Starbatty is Professor Emeritus of Economics at the University of Tübingen. Along with Professors Wilhelm Hankel, Wilhelm Nöbling, and Karl Albrecht Schachtschneider, he brought a complaint against the Amsterdam Treaty for the introduction of the euro before the Con-*



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*stitutional Court in 1997. The interview was conducted by EIR's Claudio Celani on April 29, and has been translated from German.*

**EIR:** You and three other professors have announced that you will bring a constitutional complaint, in the event that Germany participates in the rescue package for Greece. Can you explain why you will bring this case?

**Starbatty:** The contractual concept of the currency union is societal stability; that is first to be understood structurally as common price stability; on the other side, dynamically, as a community which has developed such that it is stable in itself. The institutional safeguard is Article 125 of the Lisbon Treaty—the “no bailout” provision. A violation of Article 125 is a sign that the currency union has been shattered as a stable community.

The change from a community of stability, to a liabilities community sparks unforeseen financial consequences; thus, the Parliament's authority over the budget will be trimmed, and the responsibility for law-making eroded. If the Parliament is required to agree to financial aid of an unknown dimension, then their responsibility as representatives of those who voted for them is no longer assured [Article 38, Grundgesetz, or Basic Law—ed.].

**EIR:** What do you expect to result from the complaint?

**Starbatty:** That the Constitutional Court will stand by the decision in the Maastricht case. The contractual concept of the currency union has been abandoned, if the currency union leads to a society of liabilities and inflation. The Constitutional Court must rule for the stability of the currency, and thus for our society.

**EIR:** In the event the Court supports the complaint, will Germany leave the euro? What scenario do you anticipate?

**Starbatty:** Should the Court agree with our complaint and declare the German assistance package unconstitutional, that will create a dynamic situation. In that case, an exit from the euro by Germany is not to be excluded. What happens then, I have sketched out in an article in the *New York Times*. There, among other things, I explained:

If Germany were to take that opportunity and pull out of the euro, it wouldn't be alone. The same calculus would probably lure Austria, Finland, and the Netherlands—and, perhaps France—to leave behind the high-debt states and join Germany in a new, stable bloc, perhaps even with a new common currency.

This would be less painful than it might seem: The Eurozone is already divided between these two groups, and the illusion that they are unified has caused untold economic complications.

A strong currency bloc could fulfill the euro's original purpose. Without having to worry about laggard states, the bloc would be able to follow a reliable and consistent monetary policy that would force the member governments to gradually reduce their national debt. The entire European economy would prosper. And the United States would gain an ally in any future reorganization of the world currency system and the global economy.

### **A Greek Crisis, or a Euro Crisis?**

**EIR:** Is the Greek financial crisis a Greek crisis, or a euro-crisis?

**Starbatty:** Greece smuggled itself into the currency union using false figures (as did other states, like Italy). Then the interest rates of the European Central Bank for Greece were much too low; that led to excessive private and public consumption. And during this period, the politicians in Greece, but also in the Eurozone, looked the other way. EUROSTAT has documented, long ago, that the statistics provided were not correct.

**EIR:** Isn't it the case that the European Central Bank, the European Commission, and several EU members are more concerned with saving the creditor banks than with Greece, and above all, the Greek people?

**Starbatty:** A bailout for Greece is the same thing as a bailout for the participating banks.

**EIR:** You have sharply criticized the political-economic demands of the EU on Greece, and compared them with the policy of Chancellor Brüning. Can you explain?

**Starbatty:** The therapy which Greece is expected to accept is fatal. It is like Chancellor Brüning's policy in

the early 1930s: in a severe recession, to cut expenditures, increase taxes, freeze and cut wages. Brüning did that in order to gain a reputation on the international credit markets. The Greeks are currently in a similar situation. No other industrial country carries out this Brüning-like policy, because it leads from a recession into a depression.

**EIR:** Why is the EU leadership pursuing this policy against Greece? Are our government leaders incompetent, dumb, or evil? Can it be that some one wants a new Colonels' Junta in Greece?

**Starbatty:** The policy being dictated to Greece is supported by large number of experts. It's a substitute strategy, when a country cannot devalue.

**EIR:** It's being discussed in Greece, whether the pain of Athens leaving the euro—and thus, the EU—would not be greater than that which it would suffer under these measures, if it remains in the European Union. What is your opinion on that?

**Starbatty:** By leaving the currency union, its euro-debts must be cut down in the same proportion of the currency's devaluation. The banks must participate in the clean-up; they have knowingly taken on a high risk.

## A Shift of Power

**EIR:** Going back to the constitutional complaint: In reference to the Constitutional court ruling on the Lisbon Treaty in 2009, do you see the initiatives of EU president Herman Van Rompuy and finance commissioner Olli Rehn, a shift of decision-making power over the heads of the national budgets to the supranational level of the EU, as a violation of the ruling in which it was stated clearly that Germany must retain its national sovereignty?

**Starbatty:** This is the transformation of the EU into a quasi-state through the back door. That development clashes with decision of the Constitutional Court on the Lisbon Treaty.

**EIR:** The EU Commission refers to Article 136 of the Lisbon Treaty, in order to expand its authority. Isn't that also a violation of the Constitutional Court decision of 2009? Shouldn't the Bundestag say something about it?

**Starbatty:** Article 136 is no basis for a transfer of political jurisdiction. On that matter, the Bundestag

must declare itself.

**EIR:** Will you wait for an official proclamation of the rescue action, or will you strike "preemptively"?

**Starbatty:** We will wait for the appropriate legislative procedure, review the text, and then, immediately act.

**EIR:** You propose that deficit countries should leave the EMU, so that the euro, in a smaller sphere, would be stable. But the euro would nevertheless remain a supranational currency, the European Central Bank an irresponsible NGO [non-government organization], and Germany and all other members of the mini-euro would be left without the means to conduct economic policy. The mini-euro would only postpone the agony for Germany....

**Starbatty:** A currency union, which is established on a strong currency bloc, would be a stable edifice.

**EIR:** It is well known, that the euro was invented by France's President [François] Mitterrand and England's Prime Minister Margaret Thatcher, in order to place a reunited Germany in a cage. The Germans [Chancellor Helmut Kohl—ed.] accepted it out of the fear that Germany would have the entire world arrayed against it. Other nations—I am thinking about the Italians—also were manipulated, with the fear that their currency, without the protection of the euro (meaning, from Germany) would be destroyed, and they would lose their economic vitality. Isn't it time to explain the true history of the euro-swindle?

**Starbatty:** We will only be able to explain the true history of the birth of the euro, when we have access to the records.

**EIR:** The euro has promised well-being, integration, and peace; yet it has brought poverty, integration problems, and growing conflicts among the EU states. Would it be advisable to disengage the EMU and replace it with a traditional currency system?

**Starbatty:** If the Constitutional Court makes its decision in the spirit of our complaint, a dynamic situation will arise—as explained above. If it refuses our complaint, the currency union slides into a state of instability and inflation. What that will result in, no one can predict for sure. But may God prevent that from happening.