Chair's Welcome Words

Aurore Lalucq, Chair, Committee on Economic and Monetary Affairs © European Union (2024) - European Parliament

EUROPE - THE SCANDAL OF TOO –

ACT 1: FULL INDEPENDENCE OF THE ECB
THE (OFFICIAL AND HIDDEN) STATISTICS OF A DISASTER

https://www.europarl.europa.eu/news/fr/press-room/20260205ipr33621/les-deputes-soulignent-l-importance-de-l-independance-des-banques-centrales

https://www.europarl.europa.eu/news/en/press-room/20260205IPR33621/meps-stress-importance-of-independent-central-banks-in-times-of-tension

OFFICIAL VERSION

A. INDEPENDENCE OF THE ECB (MAASTRICHT TREATY ET SEQ.)

"The ECB's political independence is essential to achieving its main objective of maintaining price stability.
It is a fundamental element of the euro area monetary system.
Why does a central bank need to be independent?
Central banks have not always been independent, but over time, monetary policy has been removed from direct political influence.
Numerous empirical data and theoretical analyses have shown that independent central banks can better maintain low inflation rates.
By acting as gatekeepers of price stability, central banks create the foundation for a healthy and stable economy.
If governments exercised direct control over central banks, policymakers might be tempted to change interest rates to their advantage in order to promote short-term economic growth or to use central bank money to finance popular measures, which would be very detrimental to the economy in the long run.
The ECB was established as an independent institution precisely to ensure that it acts in the best interests of European citizens.
Under the Treaty on the Functioning of the European Union, the ECB has a clear and limited mission: to maintain price stability in the euro area.
This allows it to implement a monetary policy that is conducive to economic growth and job creation in Europe.
What are the main pillars of the ECB's independence?
The institutional framework of the single monetary policy protects the ECB from any kind of political influence. The ECB's independence is based on five main pillars enshrined in the Statute of the European System of Central Banks and the Treaty on the Functioning of the European Union.
1-Institutional independence
The Treaty states that the ECB must not seek or take instructions from any institution, government or other body of the Union.
Similarly, the governments of the Member States and the other institutions of the European Union are not allowed to influence the decision-making bodies of the ECB.

2-Personal independence

The Statute protects the personal independence of the members of the ECB's Executive Board. They are appointed for a non-renewable term of eight years and can only be removed from office in the event of serious misconduct, which allows them to take responsible and objective decisions.

3-Functional and operational independence

Its Statute confers on the ECB all the powers necessary to achieve its main objective of price stability. To this end, the Eurosystem has sole responsibility for monetary policy in the euro area.

In addition, the ECB is prohibited from granting loans directly to the public sector and is thus protected from pressure from the public authorities.

4-Financial and organizational independence

In order to further limit external influences on the Eurosystem, the ECB and the national central banks have their own financial resources and revenues.

The Statute allows the ECB to organise its internal structure as it sees fit.

This autonomy gives the Eurosystem the possibility to carry out all the tasks entrusted to it.

5-Legal independence

Finally, the ECB has its own legal personality and can therefore bring actions before the Court of Justice of the European Union to assert its independence, if necessary."

How does the ECB fulfil its accountability obligations?

"Accountability is the necessary counterpart of central bank independence.

The ECB therefore explains its decisions and the reasoning that led to them to the citizens of the European Union and their elected representatives.

Every quarter, the President of the ECB takes part in a hearing before the European Parliament's Committee on Economic and Monetary Affairs.

Members of the European Parliament may also submit written questions to the ECB.

How should the ECB be held accountable?

Overall, the five pillars of the ECB's independence allow it to conduct monetary policy independently and effectively.

At the same time, a comprehensive framework ensures the democratic accountability of the ECB.

This allows it to pursue its main objective of maintaining price stability and acting in the interests of the citizens of the euro area and the European economy."

B. ECB: 'REMARKABLE' STATISTICS OF GOOD MANAGEMENT

1. GNP CURRENT 1995 - 2025

We have already presented our analyses and comments on the construction of the Harmonised Index of Consumer Prices (HICP) and we know that the bases of this index have been changed more than seven times since 1995.

Before finding a solution to these recurrent manipulations every five to ten years, here are the official GNPs: CURRENT GNP 1995 – 2025 OF THE EURO-21 AREA, PUBLISHED BY ECB-EUROSTAT.

Graph-1-CURRENT GNP from 1995 to 2025 EURO-21 AREA (OFFICIAL VERSION)

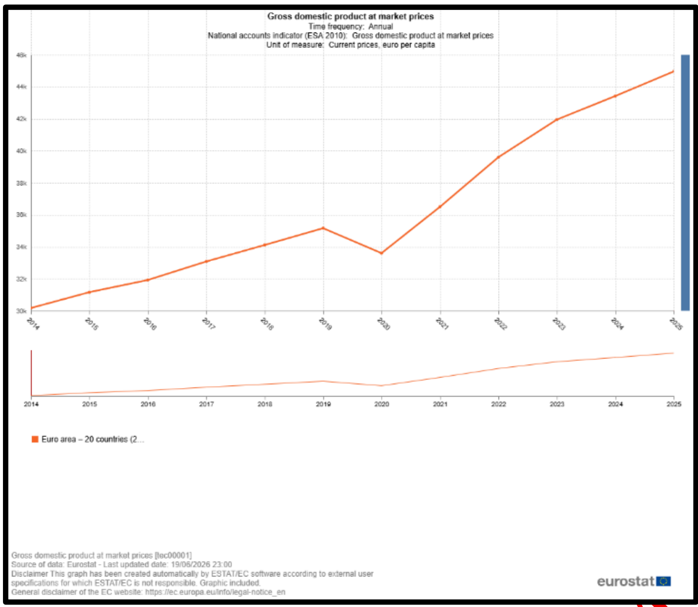
In summary, current NBI has risen from €8,518 billion in 1995 to €13,251 billion in 2025.

The growth rate, calculated using the iterative method of **the Internal Rate of Return = +1.45%.**

Moreover, the GNP in purchasing power parity (PPP) is constructed to reflect per capita growth: it is therefore an interesting parameter... **provided that it is built in an honest way.**

First manipulation: Graph-2 only started in 2014, after Mario Draghi cleaned up bank accounts with his formula of 26 July 2012: ***"Whatever it takes".***

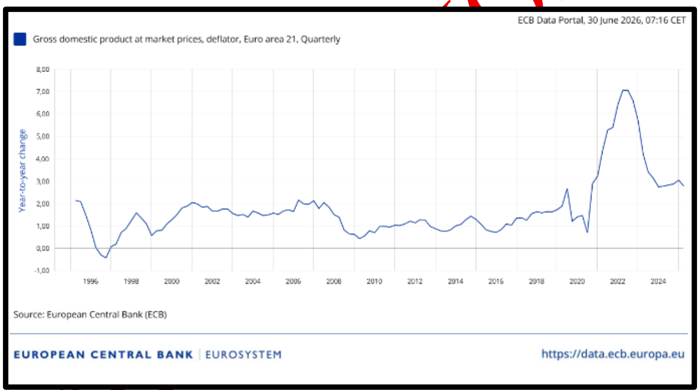
Chart-2-Current GDP per capita from 2014 to 2025 EURO-21 AREA (in thousands of euros)



This chart shows a dramatic take-off since 2020.

Everyone should be happy about that.

Graph-3-Current GDP euro-21 from 1995 to 2025 (Annual Growth Rate in %)



So here is "irrefutable proof" that the ECB is perfectly fulfilling its objective of "controlling inflation": apart from this "annoying" corona-crisis, it has always fulfilled and kept inflation below the fateful 2%.

This is shown by the evolution of annualised GDP from quarter to quarter.

For example:

(PNB QIII-2015) : (PNB QIII-2014)

= ±1.02

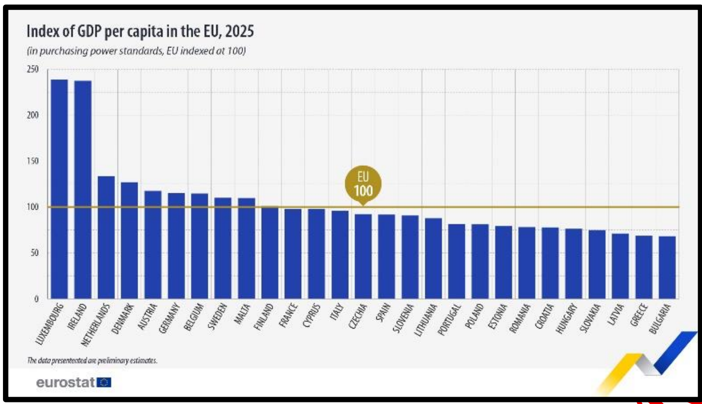
or Annualized inflation = ±2%

2. CURRENT GDP - PER CAPITA (TRUNCATED STATISTICS)

Unfortunately, the growth of GNP calculated in Purchasing Power Parities (PPP) hides much more brutal realities when we look at this graph of GNP per capita with EU = 100.

Tax havens were the big winners of this growth in 2025: Luxembourg, Ireland and the Netherlands plus Germany and Belgium, other countries that are very complacent for the wealthy...

Graph-4-Current GNP per capita in 2025 - Comparison of COUNTRIES with EU27



We are typically at the heart of the debate...

If the EU-27 GNP is taken as a reference (EU=100), we can see that NINE EU countries recorded per capita GNP above this reference: Luxembourg, Ireland, the Netherlands, Denmark, Austria, Germany, Belgium, Sweden and Malta, i.e. SEVEN EURO COUNTRIES and TWO NON-EURO COUNTRIES.

On the other hand, tax havens, frequented by bankers, insurers, pension funds, investment funds, multinationals and many family holdings, are of course recording "wealth creation per capita" (GNP per capita)... which are "spectacular".

- Almost 2.4 times the EU's GNP for Luxembourg and Ireland.
- Between 1.1 and 1.3 times for the other seven.
- A little surprise? France comes in 11th position, almost in line with the EU average.

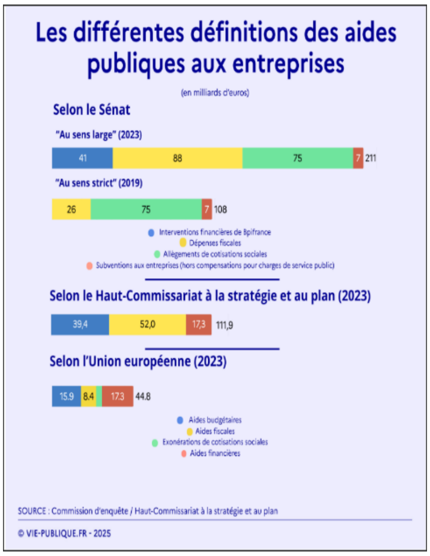
Clearly, what are these figures of GNP per capita hiding?

For Luxembourg and Ireland, the GNP displayed is **UNJUST ENRICHMENT**, escaping the taxation of the Member States.

These are therefore highly reprehensible gains.

It is therefore "institutional theft" to translate these facts into clear terms.

<u>For France (and others), the "supply-side policy"</u> that has always been generalized in a multi-millennial "liberal system" consists of "offering" all kinds of subsidies and privileges to "large national companies".



Here is a summary of the different estimates of these (very important) aids awarded in France in 2023.

Given the "tax optimizations" and the "Gifts from Heaven", the "large French companies" "win the day" but the GNP per capita remains unchanged regardless of the distribution.

<u>The same goes for the "good performances" of the nine countries mentioned.</u>

- Strictly speaking, they would have been €108 billion in 2023.
- In the broad sense, according to the Senate, public aid would have been €211 billion in 2023: it also includes reductions in social security contributions, aid from local authorities and European subsidies.
- According to the High Commission for Strategy and Planning, they would have been 119.9 billion euros.
- Finally, according to the European Union, they would have been only €44.8 billion because they only retain budgetary aid, tax aid and financial aid.

THE (REAL) EXPLOSIVE VERSION

A. OFFICIAL MISSION OF THE ECB? A TOTAL SUCCESS...

Since 1995, statistics (provided by the ECB) "prove" this total success.

1. WITHOUT ANY CHANGES: "SERIOUS RESERVATIONS" ARE REQUIRED.

First observation: we had to start this analysis from (only) 1998, simply because the ECB did not publish any figures on government debt until that year.

The first reservation concerns the government debt that accompanied this "good" growth from 1998 to 2025: this presentation therefore requires conceptual explanations.

Let's take the fictitious example of two households (the official unit used in all statistics):

- The first household earns a net of 24,000 euros per year and spends 24,000 euros per year, without ANY CONSUMER DEBT.
- The second household also earns 24,000 euros per year but spends 36,000 euros per year on consumer goods.
- Both households own their main home worth 240,000 euros with no MORTGAGE DEBT at the start.

Everyone easily understands that the first household will keep an INTACT WEALTH despite consumption – without savings – for more than 20 years (our "euro" horizon).

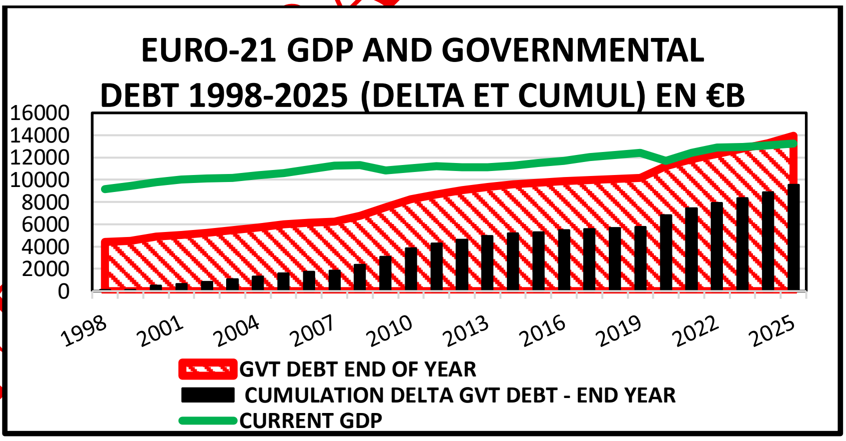
The assets of the second household will be doubly impacted by general overconsumption and by the inevitable payment of financial costs: they will therefore suffer both a reduction in their purchasing power (and their consumption of real goods) and a reduction in their real estate assets (in our hypothesis).

The second household will therefore find itself with ZERO WEALTH after twenty years:

Initial assets – annual overconsumption for 20 years

Final assets = €240,000 - (20 X 12,000) = 0

Graph-6-Current GNP euro-21 from 1998 to 2025 (in millions of euros)



THIS SIXTH GRAPH IS DESPERATE.

Graph-6- shows the CURRENT GNP and shows the increase in this debt each year (black columns), then their totals at the end of the year (stacked area).

It therefore shows that annual growth has been regularly "swallowed up" by debt.

In this case, this means that, even if each household behaves like a wise "homo oeconomicus" and therefore keeps its personal patrimony intact, it is its "State" that has lost all its CORPOREAL AND INTANGIBLE PATRIMONY.

Clearly, the Member States of the Eurozone have lost a large part of their TANGIBLE HERITAGE (Privatized Public Property) and their INTANGIBLE HERITAGE.

This concept of "Intangible" Public Goods is of course "sneaky" and totally misunderstood.

The State is "obliged" to make drastic cuts in all the Nation's budgets.

- Except in the Police and the surveillance of public places (surveillance cameras) whose mission is to contain growing incivilities, demands and of course revolts;
- Except for the General Public Tax Services, which are responsible for "bringing in" more and more tax revenues, which of course does not "affect" multinationals and large fortunes relocated to tax havens.

The criticism is therefore "easy": this situation is due to the mismanagement of the "politicians".

Except that such a situation would suppose that ALL the "politicians", in all the countries of the Eurozone, for more than thirty years, have lacked foresight, probity and competence.

There may therefore be another way of interpreting such an observation.

This is the work presented in my latest books... which turns the table of this "wonderful" consensus upside down.

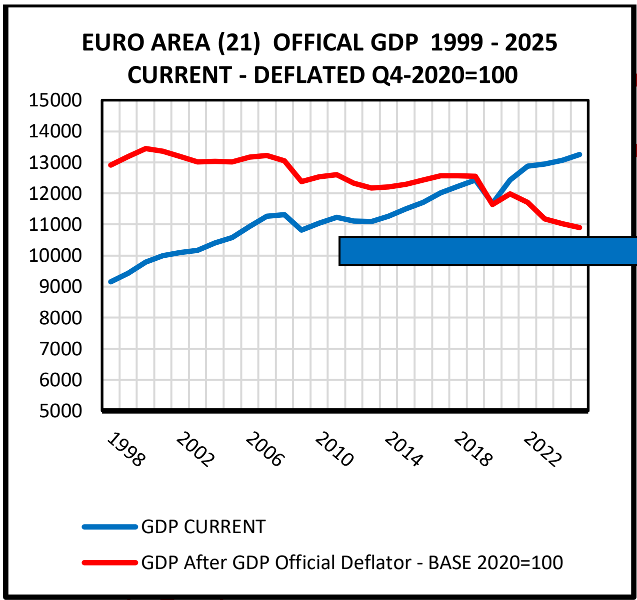
2. MANIPULATION OF NUMBERS: SEVERAL MANIPULATIONS USED

Representing data in the form of indices consists of choosing a number from a series, and defining it as a "base".

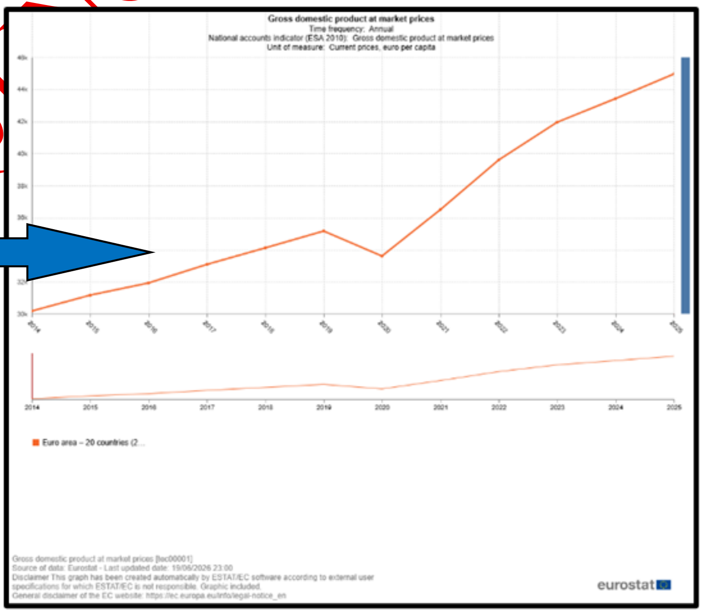
This representation can therefore give rise to very different graphs even if, at the outset, the figures are identical: for example, the GNP of Graph-1- officially gave Graph-7-.

On the other hand, the choice of the starting date makes it possible to display much more "encouraging" "real figures": see Graph-3- with identical real data concerning the current GNP in gross values.

Chart-7-OFFICIAL GNP DEFLATOR – BASE 2020



Graph-3-THE SAME CURRENT GNP FIGURES - BUT WITH A STARTING DATE OF 2014 INSTEAD OF 1998



Another "honest" presentation is to use the same GNP data at constant prices and represent them in **BASE 1998 = 100**.

This is what we are going to present:

- On the left, the official version of Graph-7
- On the right, the unofficial version (calculated by us) of Graph-8.

Chart-7-OFFICIAL GNP DEFLATOR - BASE 2020 = 100

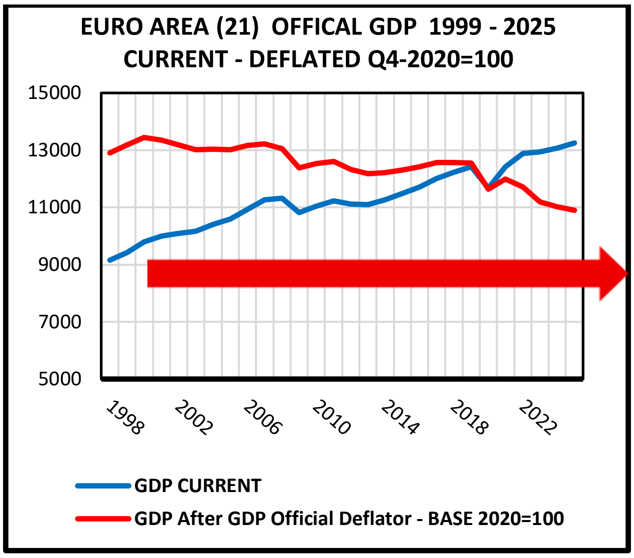
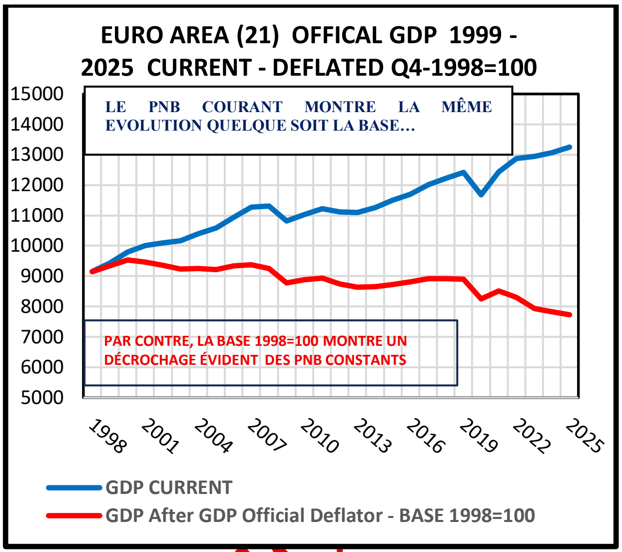


Chart-8-UNOFFICIAL GNP DEFLATOR - BASE 1998 = 100



CONCLUSIONS: INCOMPETENCE OR BUSINESS?

Mrs. Aurore LALUCQ, President of the Committee on Economic and Monetary Affairs, is above all an economist graduated from Paris Dauphine and the University of Paris-I-Panthéon-Sorbonne, and therefore she was able to make this kind of analysis demonstrating the disaster of the Maastricht Treaty (reinforced by all the treaties that followed: no, it was important not to confirm "the total independence of the ECB").

In addition, this lady had embarked on an "alternative" trajectory by supporting the reformer Benoît Hamon and his left-wing party Génération(s), then by associating herself with "very left-wing" personalities such as **James Kenneth Galbraith, a supporter of Bernie Sanders, and Yánis Varoufakis, a Greek MP from the SYRIZA party.**

And then, this reversal of course towards Raphaël GLUCKSMANN's Place publique party, a "left-wing party" without soul and without a clear project, approached as a future "socialist" presidential candidate.

Moreover, given all that we have just observed and demonstrated, it is still surprising that Mrs. Aurore LALUCQ proposed to this entire ECON body to renew "the total independence of the ECB (and of the entire ESCB)" without even proposing such "easy to carry out" analyses (but which no one else had proposed before this FAKE NEWS article).

Nous devons donc revoir les Traités de Maastricht et tous les autres traités dans les plus brefs délais car la gestion de nos monnaies et de « notre Europe » est calamiteuse.

https://www.amazon.fr/dp/B0G25QL6J5

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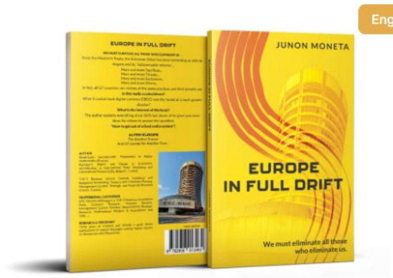
English



Finally! My research (for 30 years) has led to the long-awaited answers: Why should we fight neo-liberalism? How to fight it?

Type here (for the AMAZON KDP Link)

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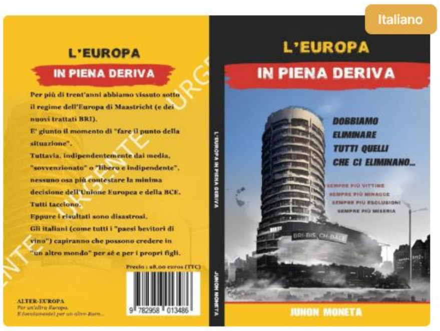
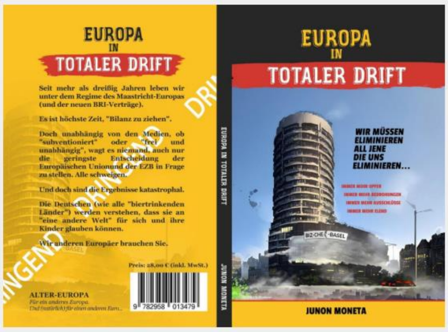
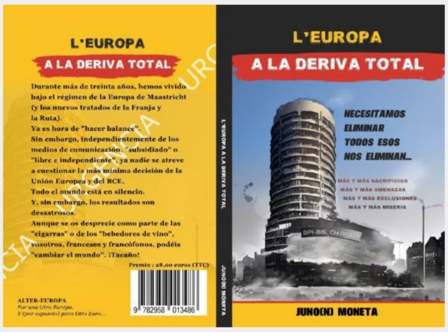


Finalmente! Le mie ricerche (negli ultimi 30 anni) hanno portato alle risposte tanto attese: perché dovremmo combattere il neoliberalismo? Come combattere?

Digitare qui (per il collegamento AMAZON KDP)



Schließlich! Meine Forschung (seit 30 Jahren) hat zu den lang erwarteten Antworten geführt: Warum muss man den Neoliberalismus bekämpfen? Wie bekämpft man ihn?



¡Por último! Mis investigaciones (desde hace 30 años) han dado lugar a las respuestas tan esperadas: ¿Por qué hay que combatir el neoliberalismo? ¿Cómo combatirlo?