

The European Womb – Fiat Euro! 5/2014

A grey strip for 5,454 euros. Optimistic data coming from the South. Unemployed, but satisfied Frenchmen. Bundesbank's new ideas.

Let us try a little experiment. Close your eyes, play some relaxing music, and imagine the logo of the Council of the EU. Does not it work? Do you at least know, what is the Council of the EU? But it does not matter, the only



important thing is, that the logo re-design [cost us 60,000 euros](#). You can see the final product on the picture.

The striped thing on the left represents the [Europa building](#). Do you hear about it for the first time as well?

It is an annex building for Eurocracts which cost 350 million euros. Just the creation and print of building bulletins for politicians cost 120,000 euros. As one anonymous Eurocrat once said, the building looks like a womb and new great visions of Europe are being born in it.

Let us move from glass temples to Greece. Greek national budget agency has proclaimed it is not possible to [increase tax revenue any more](#). Such a proclamation is

very rarely heard from any state agencies. The famous 800 million high primary surplus has been increased to 1 billion euros. However, it is possible that half of it will be cut off because Greek courts decided, that previous policy inducing [wage decrease of some public employees was unconstitutional](#).

Better numbers are being reported from Portugal as well. In 2013 they had [13.1% higher tax revenue](#) than a year before. Moreover, the government had predicted only 8.9% increase of tax revenue, what means they decreased the budget deficit by additional 1.75 billion euros. However, also expenses have risen by 5.5% (excluding 700 million of bank aid). These are the “inhumane” Portugal budget cuts in practice.

One good number has come [also from Spain](#). Overall car production in 17 Spanish factories has grown by 9% in 2013. Also the GDP growth prediction has increased from 0.3% to 1%. However, mortgage loan market is still falling. The fall has already persisted for 43 months, in November the year-to-year fall was as high as 27.4%.

The EU Parliament President Martin Schulz who is now running for Commissary is [in troubles](#). He has been accused of arranging a tender directly to the wife of the leader of his own party – Party of European Socialists.

Hollande is even [more in troubles](#). The breakup with his life-long partner due to his infidelity is just the tip of the iceberg. Unemployment in France is once again breaking a record – recently there is over 3,300,000 unemployed in France, even though an [unemployment rate decrease](#) was one of his main election promise. In spite of the growth of unemployment is slowing down in last couple of months, this is only a consequence of massive state subsidies to create new jobs. Even Airbus, one of the last strong pillars of the French economy, has announced a reduction of 1,400 jobs. Meanwhile, in Germany the unemployment rate has been decreased. Though, French

unemployed (unlike the German ones) may have a good feeling about progressive minimal wage and 75% millionaire's tax. FDI to France has [decreased by 77%](#) since the last year. France is being quite successful in expelling the capitalism as well as capital itself.

The Bundesbank is following the trend when suggesting an [increase of property tax](#) because income and consumption taxes are reaching the top. Countries in troubles should firstly tax their own citizens and only when this is not satisfactory, they should ask taxpayers in other countries for help. Slovaks saved their banks 14 years ago with their own money, but nowadays the European solidarity is in fashion. This may be the reason why we pay banking tax on our deposits and why a real estate tax increase is being proposed.

The German central bank has one more ace up its sleeve. It has asked the US to [return German 300 tons of gold](#) stored in the country. The Fed plans to send to Germany this gold in several shipments during the next seven years. Bundesbank also requests its gold from French deposits. A man's home is his castle.

Banking problems is a story no. 1 also in the UK. HSBC has imposed [restrictions on cash withdrawals](#) over £5,000 and asks its clients to explain, what they need their money for. Now it is time to remind [our lecture](#) highlighting, that people always lend their money to a bank, never just store it in there.

Technologies are a good servant but a bad master. Yet they may serve to masters. According to British media, the EU is developing a [new device](#), which will be mandatory for all cars and which will allow to remotely turn the car off. This may be just a rumor, but the [Tempora program](#) is a verified reality. It allows the British government tapping submarine optical cables. According to Edward Snowden, this program is being developed in collaboration with the NSA. This fact scared also the European Commissioner for Justice Viviane Reding who has [proclaimed](#), that if she finds a single proof of a program misuse for other than national security purposes, she will induce an investigation. To calm her down, we should highlight the fact, we are all potential terrorist, thus the program is in fact unmisusable at all.

Funny stuff is going on not only in the EU. In Venezuela, the army has recently occupied paper-mills but they [run out of paper anyway](#), thus some newspapers were forced to reduce their circulation. According to the Venezuelan government this has happened due to a sabotage of "import mafia" (whatever it supposed to be).

Meanwhile to the south, the [Argentine peso has been devaluated](#) by the highest rate since 2002 and the government has resigned to keep its value under control. This devaluation will probably increase recent inflation rate, which is now as high as 30%. Prior to WW1 Argentina was one of the richest countries in the world but after decades of building "autarky", creative methods in monetary policies and revolutionary welfare state is now the country in troubles all the time. Nowadays, Argentina is around 60th position in wealth rankings. No other developed country has experienced this deep fall in 20th century.

A memento which is not very helpful.

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