

In two years from Brussels – Fiat Euro! 21/2013

French President introduced his magnificent plans. EU should become political union governed from Brussels in two years.

According to Holland, there is enough of [European lethargy](#). An offensive must be started, a construction of political union and common economic government harmonizing taxes or social affairs. France is reportedly prepared to supply “content” to such a union. Let’s hope that not also the government personnel. French economy is in bad condition and people [voting with their feet](#) demonstrate that in the European competition of different approaches in economic and social sphere that of Germany wins - despite the “unfairly” [low wages](#).

Also Mark Rutte, the Dutch Prime minister, chose similar rhetoric to comment on this idea. France should put this much energy to tidying up in its own economy and budget rather than coming up with European economic government. On the other hand, Italian Minister of Foreign Affairs takes the French idea seriously. How it is that proverb about crows sitting next to a...?

To push such ideas through, peace and unity are needed. Those are damaged by various anti-European hell raisers, such as well-know Nigel Farage. He was considered to be a clown for a long time, but increasing popularity of (not only) his eurosceptic party is inconvenient for Brussels. European Socialist platform in European Parliament [came with proposal](#) to impose a fine to “right-wing radicals” and parties contravening the peace.

Various devious individuals and parties exist indeed, but they are successful rather in states rescued by Troika than in European parliament. Greek nationalist party Golden Dawn became a subject of another scandal when one of its members [shouted Heil Hitler!](#) in Greek Parliament. Nevertheless, its popularity is growing and the last poll [showed 11,5% support](#). Kind of difficult to understand it in since the Greek nation suffered from one of the hardest Nazi occupations in non-Soviet Europe; but democracy brings also surprises like this.

Greeks experience 19th quarter of a recession in a row and in this situation a popularity of cure-all measures will raise. Domestic bank system got stuck in zombie mode. [ECB funds](#) domestic banks by 61 billion Euros and their national central bank by another 33 billion via ELA programme. [Every fourth loan](#) is delinquent what poses unrealizable financial demands on the banks in practice.

The situation on the rest of the periphery is not better, either. In Ireland level of delinquent loans is 19%, in Italy 13,4%, in Spain and Portugal about 10%. In this situation memories of Cyprus solution cannot be forgotten, where a part of bank losses had to be borne by bank depositors who provided bank their deposits for operations. There is a hot proposal in Brussels permitting banks to rescue their losses easier by using money of depositors that overreached 100 000 euro. We could avoid a situation when we all bail out banks using our taxes. Obviously, there is a question in the air – who with a working brain would put bigger amount of money to Spanish or Slovenian banks?

Spain [announced the first trade surplus since 1971](#). Good news, is the export growing? Not really, there is a huge annual import decrease by 3,5 billion euro behind the change, and the export increased only by 400 million. Thus, the economy is not more competitive, only people have less resources for buying foreign products.

Competitiveness of European economy will be the topic of [Wednesday's summit of the EU](#). Actually, energy is by 37% more expensive for European firms than for American ones, moreover, by 20% more expensive than in Japan. The main cause is the extremely expensive green policy of the EU. Negotiations could bring at least partial turn in approach to coal, shale gas and nuclear sources. What is more, German MEP Holger Krahmer marked this summit as "the end of climatic hysteria."

Europe fights with lower competitiveness in different ways, for example by thinking about [tariffs on Chinese solars](#) with Chinese supposedly engaging in dumping. Even if this would be true, this step has no sense. Chinese working people would like to sponsor for us cheap solars to let us fulfil our green goals and we refuse them? Worse impact than rise in price of solars is possible Chinese tariff revenge. What is more, Commission is not really in line with suspicious cheap trade of Chinese [phones Huawei and ZTE](#). If it is your favourite brand, get preventively ready for tariffs.

A critique of financial transaction tax is getting stronger. The latest [analysis of consulting company Oxera](#) estimated the real income from this tax to only something more than a half of Commission expectations. What is worse, this tax could reduce GDP by 2% in participating countries. But fighting against crisis by new taxes is so convenient for politicians.

Brussels take care not only for our big problems, but also that small ones of everyday life. Legendary European regulation of cucumbers curving has a [new competitor](#) in a field of Brussels inventions. It is no more allowed to serve olive oil in restaurants in glass jugs, dipping bowls, or anything like this...

Section You can't make this stuff up, it must be French was primarily occasional. But Holland government is so creative that it gets us inspired every week. Latest news showed that thanks to the new tax system more than 8000 French households will pay in taxes per 2012 [more than they earned](#).

And wait, Iceland [does not want to be EU member anymore](#). But we want you also the next week.

Martin Vlachynský
Translated by Jana Kostovčáková