

# Do Not Forget a Receipt for Sponsors! – Fiat Euro!

## 25/2013

*The week of accusing, voting, and reporting. Berlusconi, French socialists, the Cypriot president as well as the government of Iceland wanted to say something to the world.*

The Czech prime minister has been hit by a “police-tsunami“ and he should be glad if he will survive the situation not only without his function, but without jailtime as well. In these hard times, he could ask for an advice his European colleagues. For example, the former prime minister of Italy Silvio Berlusconi could tell him several funny stories, which he has [already shared](#) with Nečas’ predecessor. Investigations and trials involving Berlusconi are already a part of the Italian pop-culture.

The actual trial could have a serious impact on the country. Berlusconi has probably forgotten to give a receipt to his sponsors and now, [he is threatened](#) by a four-year imprisonment and a five-year ban on political activities on tax evasion charges. This sort of thread could have an impact on the whole Italian government. A departure of Berlusconi could lead to a disintegration of the prime minister Enrico Letta’s government.

Problems of such a large economy with so high national debt could bring the euro crisis back to spotlight. Berlusconi, who has got through all the accusations, is satisfied. He is preparing for [big enunciations](#). Allegedly, Italy has problems due to bad budget cuts and it should forget about some Fiscal Compact and 3% rule. “Do you want us to leave the euro area? So go ahead! Do you want us out to leave the EU? Well – we would like to remind you the fact we pay to the EU budget 18 billion per year and receive only 10 billion.” In elegant way Berlusconi concluded the reality of European fiscal rules enforcement. While speaking about the Italian fiscal position he just forgot to mention that Italy did not bankrupt thanks to tens of billions euro used by the ECB for purchasing of Italian bonds.

After the short break, also Cypriots have begun to get attention once again. The Cypriot president has [sharply criticised](#) conditions of the foreign aid, which could have negative consequences on the Cypriot economy. When deposits over 100 000 euro were frozen, no differences were made between operating expenses and long-term deposits and this ignorance is harmful for Cyprian business. Similarly, the ongoing capital controls are slowing down the re-establishment of trust in bank sector.

Socialist party members of François Hollande [are repeating themselves](#). According to them, the euro is too strong (when it was not?) and it is decreasing the EU products’ competitiveness. And, naturally, strict budget rules are a cause of all problems. If the government was allowed to spend more taxpayers’ money, everything would be much better.

Eurocrats are [threatening us by a strike](#). Their unions dislike the 5% reduction of staff and the lengthening of the working hours to the usual 40 hours per week. Maybe you have not noticed (probably not), but there has already been a strike due to this reason. Even though eurocrats went on strike on June 6, calculations of cucumber curvature were not endangered.

In the relay race called “the EU budget” the baton has been [moved to another hand](#). However, we still have to wait to an adoption of a final budget for years 2014-2020. The report of the Court of Auditors focusing on wastage and ineffectiveness is a Brusselian bad conscious. Recently, the Court has audited the 1 billion euro aid to “improving respect for human rights and democracy” to the Egyptian government. Authors of the report have concluded that the aid had good intentions but bad results. The new government was even less interested in this sort of programs than the previous one. Who would say that conservative Islamists will not be interested in women or gay rights?

The apprehension about democracy is rising even in the EU itself. The europarlimentary committee on human rights has criticised Orbán’s Hungary for its actions against media, for the liquidation of the independent judiciary, and for attacks on minorities. [The committee voted](#) they do not like it and that maybe sometime they will penalize Hungary, possibly by taking its voting rights.

The conflict with China continues. Due to alleged Chinese dumping, European representatives have already voted for import duties on Chinese solar panels. The Chinese side has answered by threat of duties on European wine. As a matter of fact the EU subsidizes (i. e. dumps) wine producers [by 2.8 billion euro](#).

China is the fastest growing wine-consuming market in the world, thus a possible hole in the market will be gladly filled by producers from South America. This would have an impact especially on traditional producers like Spain, which is, as usual, in bad economical mood. Due to the transfer of a part of bad credits to the newly established “bad“ SAREB bank, the amount of unpaid debts has been decreased by 10% immediately. However, after 3 months, the unpaid debts amount is on its [original level of 11%](#), i. e. more than 1 loan out of 10 is not paid properly. If you are afraid of 100 billion we sent them, you are a terrible eurosceptic and a peace breaker!

The EU has lost a member – a potential one. While Croats are countdowning days to their official entry, the decisive “NO“ [has been expressed](#) by the new Icelandic government. The Commission had hardship to understand such a decision, so Icelandic foreign minister Gunnar Bragi Sveinsson had to remind them, that this is the way how democracy works.

Unfortunately, he does not know, that Brussels works on the basis of “repetitive democracy“, i. e. voting will be repeated until the result will be correct.

Currently, there is no voting, so you can go to cool down in some pool.

**Martin Vlachynský**  
**Translated by Roman Ujbányai**