

Merkel has more! – Fiat Euro! 06/2013

EU officers are angry. European banks came up with interesting news. If you want a house in Spain, you have a great chance now, supply increases. Illicit money scandal also in the Spanish government.

EU officers are angry. They realised their threats indeed and went on an official strike, as they planned cuts (or rather freezing) of salaries would allegedly "prevent the EU institutions from proper policy-making." They also teased the Germans though. The reason being the journalists from Die Welt am Sonntag, who took a detailed look at the salaries of European civil servants and computed that more than 4,000 of them have a higher salary than the Prime Minister Merkel. She also does not work just out of sheer love to her country though; the prime minister's monthly salary is 16,275 EUR. EU officials objected that this is by no means true. Not that they should earn less, there really exist some few thousands officers with a salary of more than 18 000 EUR (per month). Their objection is, however, that the journalists forgot to add Merkel's 4000 EUR per month, which she gets as a member of the German parliament.

Apart from this comedy, the last 7 days were all about the banks. Starting with ECB, whose new temple, built for more than **1 billion EUR**, is almost competed by now, thus making good sense for the bank to start looking where it could further spend our excess money. **Doubling the number of its employees** (the current headcount is more than 2000) seems to be a good idea. The additional employees would oversee the emerging banking union.

The future ECB staff is nowadays employed by the European banks. The banking sector currently carries more diseases than an Indian village after the colonists visited it, but this only occurs occasionally in public. The collapse of the fourth largest Dutch bank **SNS Reaal NV** is just one demonstration of such. The Netherlands has decided to nationalize the bank and pour 3.7 billion EUR into it. This is the first bank failure in the Netherlands since 2008 and a sign that not even an AAA rating makes a sunny day. **According to Die Welt** calculations, total amount of bad loans in the European banking sector reaches 300 billion EUR.

Greek banks have once again managed to **borrow money on the market** after long months. The news doesn't sound as bright once you find out that as collateral Greeks used EFSF bonds, which they received during the spring recapitalisation. This means that creditors didn't take any risk whatsoever. At worst, their eventual losses would be covered by us. In fact,

Greek banks need 33 billion EUR to recapitalize according to the latest estimates. Unofficial sources mention creation of a “bad” bank, which would assume all the doubtful debts. Spain's "bad" bank already operates, and even released for sale the first [package of 13 000 foreclosed properties](#) acquired together with non-performing loans from commercial banks. We'll see how this will affect the real estate prices in Spain, which are already experiencing a free fall for several months.

Constant refunding of bank's losses by taxpayers money does not only get on taxpayers' nerves but, at least ostensibly, also on that of a few politicians'. Germany, the Netherlands and Finland have decided to put a little [pressure on the EU](#) to speed up the possibility of transferring banks' losses to holders of their bonds. What should be obvious in the capitalist world will thus be possible as early as 2015 instead of 2018, of course, if Brussels standardized and certified hoe shoots.

Current happenings in Eurozone spins around the [affairs in Spain and Italy](#) .The crash, or as it is today fancy to say, a request for help for the third largest Italian bank Monte dei Paschi di Siena, still resonates across Italian Peninsula. Questions about the exact state of the huge Italian banking sector were once again brought to the limelight. The government on the Iberian Peninsula entangles more and more in a scandal of unclear millions, which reportedly float around members of the leading party. The potential breakdown of Mr Rajoy's government would mean the derail of all reforms at least for the near future. Both countries' bond yields started heading north after months of decline.

Spaniards still have at least one little reason for joy. Unemployment rate fell for the first time after 67 months, from November's 26.2% to 26.1% in December. Italians can only be pleased about Berlusconi's vow, in which, in case of his re-election, he promised to [retrospectively cancel the new real estate tax](#). The funny part is that just a little more than a year ago his own party voted for this tax .

Greece is chronically plagued by strikes. The government has lost patience with Athens subway staff, whose strike paralyzed the capital, as well as with the ferry sailors, whose strike cut off the islands from the mainland for six days, and ordered a civil mobilization to both groups, by which effectively proclaimed any further strike illegal. The average salary of the metro workers should [drop to 2038 EUR](#) from current 2500 EUR. The average salary in the country is now less than 1200 euros and the unemployment rate exceeds 25%.

The new Dutch government in a letter to its Parliament [confirmed its intention](#) to support the concept of a 'flexible Europe' in which member states would be able to opt out participation in certain structures, such as the euro or Schengen. Indirectly, they stood on the side of Great

Britain, where the Prime Minister officially promised a referendum on further stay in the Union and a reconsideration of relations with Brussels.

Increasing euroscepticism did not escape the Brussels attention, which responded in its typical way - 2.5 million EUR will be spent on [monitoring internet discussions](#) and striking back on anti-european contributions.

We will end up today's show with the favourite heading: you cannot invent that, it's France. King of the Internet Google settled with the French media and prepared for them a [60 million fund](#). This is intended to help them "adapt to digital technologies." Media have been crying over the last couple of months that Google is stealing their readers. German media so far [refuse such deal](#).

Just a pity that they won't be able to learn how to adapt with the new Mac Pro computers. These will be banned from sales as of March 1st as their radiator cap fans and ports do not meet Brussels' safety standards.

I hope you won't cut your fingers or anything similar, until Apple comes with a modified version!

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