



Observations on the European Farce

By Daniel J. Mitchell
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Spain's received a bailout, Greece is having another election tomorrow, and the European political elite is pushing for more centralization.

In other words, business as usual in the continent where voters think you can get nothing for nothing (this [satirical cartoon](#) is now European reality) and politicians think every problem can be solved by more borrowing.

Regarding the Spanish bailout, here's an amusing video of Nigel Farage, head of the United Kingdom Independence Party, commenting on this latest European "success."

http://www.youtube.com/watch?v=TN_1mF-3JTI

Farage is an entertaining speaker, as you can see in other videos [here](#) and [here](#). Indeed, the Brits serving in Brussels all seem to have a way with words, as you can see from these videos of [Dan Hannan](#) and [Godfrey Bloom](#).

While England's euro-skeptics make good points, what matters most is whether Germany agrees to endless subsidies for its profligate neighbors. There are signs that patience is wearing thin, as seen by these excerpts from a [Frankfurt-based Bloomberg columnist](#).

Germany is feeling more and more like the rich uncle in a poor family. Its spendthrift relatives in the euro area are lining up to shake down their wealthier kin for loans that they may never be able to repay. Actually it's worse than that: Those poor relatives seem to have forgotten that their uncle has already given them a lot of money. ... Hans-Werner Sinn, a government adviser, ... noted in a New York Times op-ed that Greece has already received the equivalent of 29 Marshall Plans from Germany... But how can a case be made for even more support when Germany's biggest neighbor wants to put his feet up at the age of 60 — as French President Francois Hollande is planning by reversing the increase in retirement age — while Germans are expected to keep working until 67 before they get their (steadily declining) state pensions? Let's not even talk about Greek pensions, which until recently had been paid to many dead people.

But the centralizers in Europe seem oblivious to these concerns. The clowns in the European Parliament think it would be great to [have a fiscal union](#), which is basically a means of having German taxpayers subsidize Italian moochers.

The European Parliament on Wednesday (13 June) approved draft laws that would strongly increase Brussels' power over eurozone countries' budgets. ... "This is the core of a fiscal union," said Austrian MEP and socialist leader Hannes Swoboda. ... They want a European Debt Redemption Fund that would bring together the debt of eurozone countries that is greater than 60

percent of GDP, allowing it to be repaid in the long term at lower interest rates. The draft would bind the commission to proposing a “roadmap” for establishing eurobonds (the mutualising of eurozone debt) once the legislation comes into place.

Not to be outdone, the buffoons in the European Commission want [political union as well](#), which also is a mechanism for letting Spanish looters pilfer the German taxpayers.

European Commission President Jose Manuel Barroso has said member states must agree to a big common budget, a future banking union and – ultimately – political union in order to save the EU. ...Barroso’s final step – fiscal and political union – would see EU countries issue joint bonds, co-ordinate tax policy and co-ordinate national spending on everything from healthcare to schools and social welfare. ...Belgian liberal Guy Verhofstadt said the summit paper should be a legal proposal for creating a “federal union” and that commission budget plans should call for “own resources” – direct taxation of EU citizens by Brussels.

It’s not terribly surprising that the deadbeats of Europe want access to the money of German taxpayers, but it is rather shocking that German politicians are willing to play this no-win game. Indeed, Frau Merkel actually is an advocate of political union. Sort of like a sheep voluntarily joining two wolves in a debate over what to have for lunch.

And keep in mind that “co-ordinate tax policy” is nothing more than a deceptive way of saying tax harmonization, which would mean an [end to tax competition](#), thus achieving a long-held goal of Europe’s political elite.

In other words, the mess in Europe is a steroid-fueled example of [Mitchell’s Law](#), as each government-caused screw-up is used as an excuse for the next government-caused blunder.

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