

EUROPOLIS

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France's undeclared war continues

France remains - despite economic weakness - the country of great projects and political designs. Whereas Germany seems set to continue her unhappy role as the ever politically innocent Federal Republic, *la grande nation*, overrepresented in all international institutions, sets the pace.

When the ECB's Mr. *Cœuré* in a speech addressed to the French ambassadors, postulates the creation of the European Ministry of Finance under the control of the European Parliament, he is aware that in the immediate future, that might not be legally feasible. But in doing so, he gives a strong political signal beyond his mandate as a euro central banker, of a desire to enhance the institutional counter-revolution which since 2010 made the normative pillars of the monetary union implode.

Surprisingly enough, the charming prince of French politics, economy minister Mr. *Macron* in a speech at the German Foreign Office, frankly declared that in the long run a Monetary Union without permanent fiscal transfers will not be sustainable. Of course, both institutional claims are imbedded in a habitually reactionary discourse on Europe: only if French proposals are followed, will Europe's existence be no longer at stake.

Macron's suggestions astound the German public because the Germans reluctantly accepted the Monetary Union under one condition: no fiscal transfers. But even *Cœuré's* proposal has a thinly disguised purpose: passing a Euro budget free from national parliamentary control. Once a Euro Zone budget is institutionalized and a European Ministry of Finance is in place, national parliaments will no longer have any veto power and Paris would be close to achieving the German nightmare: fiscal federalism on European level.

Apart from damasking the objectives of French policy proposals, the question is how to counter them. In the negotiations with Greece it became clear who the natural partners of Germany are: all Baltic countries, Austria, the Netherlands, Slovakia and, outside of the Euro Zone, Great Britain and the Czech Republic. It is with them that Germany has to call the French bluff to set an example once and for all.

Without a counter to the ever loftier proposals produced by French politics, France will finally have won the upper hand in the Monetary Union without any battle. That would finally see the end of Germany's pro-European orientation.

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