

1 **Merkel forces Europe to protect** 2 **euro from future collapse**

3 (original at

4 <http://www.guardian.co.uk/business/2010/oct/29/angela-merkel-wins-euro-deal>)

5 At the last Brussels summit, the leaders of 26 European countries bowed
6 resentfully to German determination to rewrite the EU's Lisbon Treaty to
7 shore up the euro.

8 Angela Merkel declared she was happy after EU leaders agreed to
9 establish a stiff new regime aimed at immunising the euro against the
10 threats that brought the currency to the brink of collapse this year.

11 Under the new system, to be in place by 2013, highly indebted eurozone
12 countries struggling to repay should be forced to restructure their debt in
13 a process of managed insolvency and their creditors should take large
14 haircuts.

15 In May, the EU and the IMF put up an €860bn umbrella to protect Greece
16 and defend the currency. Those emergency funds, however, lapse in
17 2013. If there is no agreement on the German terms, which include
18 financial penalties for fiscal sinners and big losses for banks in the event
19 of orderly insolvency, Berlin, the biggest contributor, will refuse to take
20 part in a new permanent insurance system.

Questions

- 1) Why were the Germans determined to change the Lisbon Treaty?
- 2) Why was Angela Merkel happy following the Brussels summit?
- 3) Explain 'to the brink of collapse' (line 10) in your own words.
- 4) Explain 'restructure their debt' (line 12). Note that 'insolvency' (line 13) is just another word for bankruptcy and 'haircut' (line 14) is a specific financial term for a situation where the borrower does not pay the creditor back the entire debt but only a fraction (80%, for instance) – the creditor simply loses the rest.
- 5) What are the differences between the fund proposed by Merkel at the last Brussels summit and the €860bn fund put in place in May 2005?
- 6) Who are 'fiscal sinners'? (line 18)
- 7) What does Germany threaten with if its terms are not accepted?
- 8) Following the summit, there have been strong fears that the large member states could abuse the proposed mechanism (aimed at punishing countries with too much debt) to gain influence over the smaller states of the EU. Do you think such fears are justified?
- 9) Do you think that the German move described in the article is a step towards further integration? Is further EU integration desirable in your opinion?

Vocabulary

bowed (line 5) – to yield, to submit, to agree to do something

shore up (line 7) – to support or prop up

stiff (line 9) – unyielding, resolute in purpose, strict

be/put in place (line 11) – implement, introduce, adopt, establish

You can find additional explanation and more examples to help you understand and use English words and phrases at <http://dictionary.reference.com>, <http://dictionary.cambridge.org/>, <http://www.merriam-webster.com/> or <http://www.ldoceonline.com/>

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Tým jazykové skupiny Spěváček:

