

Council conclusions.

Presidents, Colleagues

The Euro plus pact might be useful - but it must not be made an excuse for weakness in the legislative package.

A strong commitment to the single market as key to competitiveness of the EU, and therefore also the euro area is welcome - but single market initiatives remain in the framework of the Treaty and the 27.

I fear the ESM lacks flexibility and is unsustainable for recovery with something like a 2.5 to 3% risk premium.

I understand the need for discipline and risk provision, but these rescue mechanisms are not for money making, especially when there is self interest beyond Eurozone stability such as the exposure of several Member States' banks - now being supported by Irish taxpayers as has been mentioned.

We have not solved the banking crisis, nor will we by being feint hearted.

Germany even has not recapitalised its own banks, nor recognised impaired assets, and also relies on indulgence from everyone else, in the EU and rest of the world, to allow silent participations as core capital - otherwise stress tests will be failed.

So Presidents, lets have some vision, some humility and honest self appraisal.

The very least you can do is treat risk premiums as collateral and give them back when the risk is gone.

Small mindedness will not save the Euro and the markets know that.