

## Hitting a NERVE



Finance Minister Eduard Janota is a loyal soldier who has served two regimes and half a dozen political masters. It should come as no surprise when he shrugs his shoulders and says in [Týden](#) that a long-term balanced budget is utopia at the moment. It's a bit more surprising when economist Miroslav Zámečník says on [Radio Impuls](#) that he and all other members of the National Economic Council (NERV, in Czech) realize that spending cuts are not the way to balance the state budget. They prefer to raise the lower VAT rate and the excise taxes on tobacco and alcohol (as well as to eliminate many tax breaks). Economists, including [Vladimír Dlouhý](#) of NERV, are debating whether the crisis will have an L, U, V or W shape. But unless these influential experts put real pressure on politicians to do something about the dire state of public spending, borrowing and waste, normal consumers and taxpayers should probably start bracing for a y-shaped crisis. One that takes the economy down further, and backwards in time.



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