

EU presidency: US economic plans 'a way to hell'

 Associated Press

Czech premier, currently European Union president, calls US economic measures 'a way to hell'

Raf Casert, Associated Press Writer
Wednesday March 25, 2009, 9:10 am EDT

STRASBOURG, France (AP) -- A top European Union politician on Wednesday slammed U.S. plans to spend its way out of recession as "a way to hell."

Czech Prime Minister Mirek Topolánek, whose country currently holds the EU presidency, told the European Parliament that President Barack Obama's massive stimulus package and banking bailout "will undermine the stability of the global financial market."

A day after his government collapsed because of a parliamentary vote of no-confidence, Topolánek took the EU presidency on a collision course with Washington over how to deal with the global economic recession.

Most European leaders favor tighter financial regulation, while the U.S. has been pushing for larger economic stimulus plans.

Topolánek's comments are the strongest criticism so far from a European leader as the 27-nation bloc bristles from recent U.S. criticism that it is not spending enough to stimulate demand.

They also paved the way for a stormy summit next week in London between leaders of the Group of 20 industrialized countries.

The host of the summit, British Prime Minister Gordon Brown, praised Obama on Tuesday for his willingness to work with Europe on reforming the global economy in the run-up to the G-20 summit.

The United States plans to spend heavily to try and lift its economy out of recession with a \$787 billion economic stimulus plan of tax rebates, health and welfare benefits, as well as extra energy and infrastructure spending.

To encourage banks to lend again, the government will also pump \$1 trillion into the financial system by buying up treasury bonds and mortgage securities in an effort to clear some of the "toxic assets" -- devalued and untradeable assets -- from banks' balance sheets.

Topolánek bluntly said that "the United States did not take the right path."

He slammed the U.S.' widening budget deficit and protectionist trade measures -- such as the "Buy America" -- and said that "all of these steps, these combinations and permanency is the way to hell."

"We need to read the history books and the lessons of history and the biggest success of the (EU) is the refusal to go this way," he said.

"Americans will need liquidity to finance all their measures and they will balance this with the sale of their bonds but this will undermine the stability of the global financial market," said Topolánek.

Obama insisted Tuesday that his massive budget proposal is moving the nation down the right path and will help the ailing economy grow again. "This budget is inseparable from this recovery," he said, "because it is what lays the foundation for a secure and lasting prosperity."

Obama also claimed early progress in his aggressive campaign to lead the United States out of its worst economic crisis in 70 years and declared that despite obstacles ahead, the U.S. is "moving in the right direction."

AP Business Writer Aoife White in Brussels contributed to this report

Copyright © 2008 The Associated Press. All rights reserved. The information contained in the AP News report may not be published, broadcast, rewritten, or redistributed without the prior written authority of The Associated Press.

Copyright © 2009 Yahoo! Inc. All rights reserved. [Privacy Policy](#) - [Terms of Service](#) - [Copyright Policy](#) - [Send Feedback](#)

Quotes and other information supplied by independent providers identified on the Yahoo! Finance partner page. Quotes are updated automatically, but will be turned off after 25 minutes of inactivity. Quote data delayed 15 minutes for Nasdaq, NYSE and Amex. Real-Time continuous streaming quotes are available through our premium service. You may turn streaming quotes on or off. All information provided "as is" for informational purposes only, not intended for trading purposes or advice. Yahoo! is not an investment adviser and does not provide, endorse or review any information or data contained herein.