

# European Gloom

by Theodore Dalrymple



**Negative interest-bearing bonds**—now a quarter of the world's bond market—hardly represent a resounding vote of confidence in the economic future, though as ever, some people may eventually make money from them. But overall, they are like an umbrella to protect us from an approaching monsoon.

Economic gloom, or at least a sense of foreboding, is growing in Europe, where growth remains low and youth unemployment in many countries high. It is generally agreed that yet-lower interest rates—in effect penalizing savers—will not revive those countries' economies. Having lost control of their currencies as a result of monetary union, they cannot apply a fiscal stimulus, either. Thus, we hear calls, echoed recently by the proposed new head of the European Central Bank, Christine Lagarde, for a large European budget that can apply a stimulus to various countries as deemed necessary.

Such a budget is seen by some as an antidote to the growth of populist nationalism in Europe, supposedly the consequence of the continent's economic woes. A recent editorial in *The Guardian*, the daily bible of the *bien pensants* of much of the English-speaking world, was [City Journal](#).