



Budget Debate in the Senate

Montoro says that the way out of the crisis is through more Europe, more structural reforms and more budgetary stability

- "Also through appropriate funding based on European integration, through the ECB, which must respond firmly to pressure from the markets"
- The Minister of Finance and Public Administrations, Cristóbal Montoro, said that the elections in France and Greece have sent, "a clear message of support for Europe and the euro"
- He stated in no uncertain terms that the overall response must be to clear up any doubts about the future of the euro
- He called for a budget policy based on austerity but which would not lead to a deepening of the recession

18 June 2012. Today in the Senate, at a critical and crucial time for the Spanish and European economies, the Minister of Finance and Public Administrations, Cristóbal Montoro, said, "The way out of the crisis is through more Europe, more euro, more structural reforms and more budgetary stability", and "through appropriate funding based on European integration, through the ECB, which must respond firmly and reliably to pressure from the markets that are still trying to hinder the euro project".

He said that the elections in France and Greece have sent "a clear message of support for Europe and the euro and we have to welcome the

fact that this is the context in which this debate on budgets is being held". Montoro also pointed out that the markets continue to pressure Europe and are not abating for Spain: "This means that there are still doubts about the present and the future of the euro, about the Spanish economy, and we therefore need to respond to these doubts firmly and with clear, convincing policies".

The Minister of Finance stated in no uncertain terms that the overall message must clear up any doubts about the future of the euro, to support budgetary stability, the reforms and the development of European institutions such as banking union, fiscal union and a policy union for the development of the single currency. "We need to move towards greater European integration", he stated.

"The Spanish government's view is that there should be more Europe, more reforms and a greater commitment to budgetary and economic stability", said the minister in the Senate and this debate, "needs to be held with the conviction that Europe is with us".

The minister stated that significant reforms have been carried out over recent months such as the labour reform, bringing us more in line with the labour markets of neighbouring countries. Another important reform is the reform of the Spanish banking sector, with a credit line of up to 100 billion euros that will help to fund small enterprises, SMEs and will ensure a flow of credit to families.

This set of reforms will play a decisive role in paving the way for economic recovery and job creation. Cristóbal Montoro also mentioned the launch of the supplier payment plan that has been used to pay the outstanding invoices of SMEs, the self-employed and supplier companies that needed these funds in order to carry on.

No deepening of the recession

The General State Budgets for 2012 are also based on austerity, reducing public expenditure and the desire to restore budgetary balance. It is a policy committed to ensuring the economic recession will not deepen.

"We need to reduce the public deficit as soon as possible, otherwise we will not be able to obtain funding. We need to reduce the deficit and public spending without making the economic situation worse", said Montoro.

According to the minister, the budgets have not come too late, despite the fact that they are being discussed in June, as a large part of the austerity measures and increased revenues have been being introduced from the start of the year, which has meant that all the Public Administrations have been able to adjust their budgets to the current situation.

The minister therefore called on parliamentary groups to reverse their veto of the state budgets, "so that we can all be together at this time of crisis", instead of facing difficulties. He said that it is paradoxical and even shocking that some groups should veto the budget when similar adjustments are being made in their own regions.