



Senate debate on the spending cap

## Montoro: We will not get out of the crisis alone, because we are not alone, we are Europe

- The role of the 2013 Budgets is to balance and improve public finances to halt job destruction
- **The immediate future of Spain cannot be understood without Europe, “there is no present or future of an integrated Europe without Spain”**
- **Mr. Montoro decried the actions of some leaders “in the North and the South” who, being equally responsible for extracting their regions from the crisis, are using the State of the Autonomies to separate and divide**

26 July 2012. The Minister for Finance and Public Administrations, Cristóbal Montoro, today firmly stated that Spain will not get out of the current crisis alone, simply because it is not alone, “we are Europe”. During his speech in the Senate debate on the spending cap he called for more sincerity and involvement from European institutions.

He also asked EU institutions for greater speed in creating banking union, “we need clear rules and institutions committed to following them.” He reiterated that “there can be no banking union without a central bank on the lines of the US model” and accused the institutions of not giving Spain sufficient warning of the high level of external debt it was accumulating.

Montoro pointed out that the immediate future of Spain cannot be understood without Europe, “there is no present or future of an integrated Europe without Spain.”



Elaborating further on the subject of Europe, Mr. Montoro affirmed that "Europe is not about cutting back on the welfare state, on social cohesion, it is about prosperity, understanding and freedom, and for this reason we are committed to this project and adhere to European precepts."

### **Ending the recession**

The finance minister said that the General State Budget for 2013, whose spending cap had been the subject of the debate, was designed "to end this economic recession as soon as possible." He emphasised that 2013 should be the last year of recession, and that to this end all the necessary reforms are being put in place.

He explained that the ultimate goal of the 2013 Budget is not to balance and improve public accounts "because Europe says so", but to use these accounts to halt job destruction "in this time of extreme weakness."

Furthermore, in the context of Spain's serious external debt problem, he emphasised that next year Spain would not need funding from the rest of the world. "We will recover economic growth without generating more external debt."

### **State of the Autonomies**

The Finance minister used his appearance in Spain's ultimate territorial forum - the Senate - to affirm that the "State of the Autonomies is unshakeable, it is defined in the Constitution and in the doctrine of the Constitutional Court."

After recalling the difficulties experienced by many autonomous regions in accessing markets and the obstacles encountered by local corporations to secure funding, he denounced the actions of some leaders "in the North and the South" who, being equally responsible for extracting their regions from the crisis, are using the State of the Autonomies to separate and divide.

Mr. Montoro called on leaders to change their attitude and shoulder their responsibilities, and wondered whether those in charge of troubled regions are entirely blameless. "Division will not get us out of the crisis, the fiscal crisis affects the whole country and we have to face it without looking for scapegoats," calling for dialogue, consensus and the search for solutions that convey an image of Spain as a solvent country.

## Role of the Senate

Mr. Montoro emphasised the role of the Senate, as a territorial forum, in enforcing compliance with the Budget Stability Act. It is the first time the real right has been established to veto the government agreement approving budgetary stability and limiting non-interest spending targets.

The Senate's decision has the same value as that of the Congress, because if it was rejected by this body, the Government would have to approve a new agreement.

