

Surveillance of budgetary positions and surveillance and coordination of economic policies

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While welcoming the fact that the Council's common position demonstrated the latter's willingness to correctly apply the Stability Pact, Mr Christodoulou criticised the inflexibility and mechanistic character of the Pact which failed to take sufficient account of the dynamic nature of economics. As regards the penalties specified, the rapporteur considered that the common position went beyond the Commission's original proposal. Recalling Parliament's desire to maintain the principle of budgetary unity, Mr Christodoulou regretted that the use of the product of fines would depend on a Council decision. The rapporteur then called for a guarantee of greater flexibility to ensure the Pact's credibility and urged the rejection of those amendments (except for that of Mr Blokland) which had not been approved by the Committee on Budgets. He concluded by hoping that the Council and Commission would honour all their obligations. Recalling that the Stability and Growth Pact was based on the Treaty and that, by consolidating two regulations (one based on Article 103(5) and the other on Article 104), the Pact implemented the Maastricht provisions, Commissioner de Silguy stated that the compromise reached was flexible enough. As for the amendments, the Commissioner was in favour of most of these: namely Amendments Nos 1, 2, 3, on the resolution of the European Council, 4, first part, 5 and 8, on public investment and expenditure, and 6, second part, and 9, second part.