Surveillance of budgetary positions and surveillance and coordination of economic policies

1996/0247(SYN) - 28/11/1996 - Text adopted by Parliament, 1st reading/single reading

In adopting the report by Mr Efthymios CHRISTODOULOU (PPE, G), Parliament approved, with amendments, two proposed Regulations: one on the introduction of an early warning system to prevent excessive deficits, the other on time limits and sanctions. Regarding the early warning system (cooperation procedure), Parliament insisted that national budgetary policies need to be set so as to allow adequate government investment to help sustain growth and employment. It considered that stability programmes should be incorporated in the national budgetary procedures and submitted to the national parliaments according to an appropriate timetable, while insisting that Parliament be provided with the relevant information. Moreover, similar procedures should cover the other Member States not belonging to EMU. Finally, Parliament called for the establishment of an Employment Committee analogous to the Monetary Committee and for the maintenance in operation of the Cohesion Fund during Stage III, for as long as the parameters for development differentials which justified its creation (per capita GDP lower than 90% of the Community average) remain in force. With regard to the time limits and sanctions (consultation procedure), Parliament reiterated the above principles. It proposed some changes to the time limits and adopted an amendment aimed at authorizing the reference value fixed for the public deficit to be breached where unusual events have led the Member State concerned to engage in excessively high expenditure in order to safeguard its territorial sovereignty. Additionally, it emphasized that in the event of an excessive deficit, the deposit prior to a possible sanction should not be considered as part of the government expenditure of the Member State concerned.