Question for written answer E-008022/2014
to the Commission
Rule 130
Ernest Maragall (Verts/ALE)

Subject: Follow-up to written question E-006398/2014

Since only an indirect answer was given to written question E-006398/2004, exonerating the ECB and blaming Member States for a lack of macro-prudential policies, it should be noted that Spain reduced its public debt by half between 2000 and 2007 and that, in 2007, Spain’s public debt in proportion to GDP was half that of Germany. In other words, Spain was twice as prudent as Germany. Also, the later development of the financial crisis clearly demonstrated that, in the case of Spain, it was not caused by a supposed lack of ‘macro-prudential’ measures.

On the other hand, there is no doubt that, during the same period, private borrowing soared in Spain, mostly through banks and in connection with major property transactions. In this context:

1. Does the Commission think that any Member State in the eurozone could have prevented this private borrowing on the basis of the doctrine of the free movement of capital?

2. The only instrument that could have achieved this was interest rates, whose management was entrusted to the ECB. Could the Commission explain why the ECB did not take action at the time and indicate what responsibility it is taking for this?

3. Even without public borrowing, the high rate of inflation in Spain pointed to the need for high interest rates, whereas the low rate of inflation in other Member States pointed to the need to keep interest rates low. In this context, whose interests was the ECB prioritising in keeping interest rates low?