Question for written answer E-003243/2017
to the Commission
Rule 130
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Subject: State debt

Since they signed the Maastricht Treaty in 1992, Member States have no longer been able to borrow from their own central banks or the ECB and to finance their deficits, they have had to borrow from financial markets. That restriction was intended to encourage the sound management of public finances. The ban on ECB lending to Member States, reiterated in Article 123 of the Lisbon Treaty, imposes massive additional costs on their public finances.

According to some economists, if Belgium had been able to borrow at the same rate as inflation, Belgian public debt would be 50% of GDP and the country would have saved EUR 186 billion in interest over 20 years.

Let us not forget that austerity polices now risk tipping Europe into a spiral of deflation. Europe therefore needs inflation, but above all it needs major investment to drive ambitious, efficient, and environmentally responsible policies to stimulate economic activity.

To stem excessive state debt and ensure that the ECB does not become a bottomless pit, is it not now the time to define the conditions in which Member States can borrow at a ‘minimum’ rate?