Question for written answer E-004900/2011 to the Commission Rule 117 Jaroslav Paška (EFD)

Subject: How does the European Union intend to solve the problem of the threat to its financial

stability posed by ever-growing compulsory expenditure?

The spiralling growth in their indebtedness at the moment is a serious problem for many EU Member States. If the increase in public debt in the EU continues at the current rate, it will soon lead to financial catastrophe.

The key to long-term indebtedness is not the failure of public finance revenue as a result of the recent economic crisis, the reason often given. The main problem is the national expenditure to which governments are committed in the future by law (so-called compulsory expenditure) but for which the Member States are already short of funds.

According to estimates by think tanks which analyse the expected development of public expenditure in individual countries, the divergence between the level of compulsory expenditure by governments and their options for financing it in real terms will soon attain major proportions. It will not be possible to cover such a huge imbalance by raising taxes or duties.

A real attempt to resolve this problem therefore requires political responsibility and a sense of reality. If we wish to forestall the financial collapse of the EU, Member State governments will have to take new measures to adapt the level of their future compulsory expenditure to the real financial resources of their countries.

I therefore ask the Commission if it has prepared or is preparing a strategy for planning EU expenditure in line with the facts described.

867165.EN PE 465.919