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Brussels, 10 August 2011
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Letter to the editor-in-chief of Spiegel online
Mr. Rüdiger Ditz

Commentary of Jan Fleischhauer "EU-Schuldenstaaten: Vorsicht, Gemeinschaftspathos!"
of 8 August 2011 <http://www.spiegel.de/politik/deutschland/0,1518,778966,00.html>

Dear Mr. Ditz,

We strongly disagree with the essence of the commentary of Jan Fleischhauer, which contains a series of factual errors. Obviously, getting the facts right would also imply changing the tone. Allow me therefore to share with you the correct facts:

1. President Barroso during his term in office as Prime Minister of Portugal (2002-2004) was not responsible for the excessive deficit Portugal had in 2005. On the contrary: under his responsibility the deficit was reduced and brought in line with the Maastricht criteria. After becoming Prime Minister of Portugal in spring 2002, Mr. Barroso asked an auditing of the government accounts for 2001, which showed a deficit of 4,1% of GDP. The Commission at the time initiated an excessive deficit procedure against Portugal with 2003 as deadline for correction. Mr. Barroso's government brought down the deficit to below 3% in 2003, both through durable and one-off measures. The debt ratio in the same year was 56% of GDP. The excessive deficit procedure was abrogated by the Council in early 2004. Mr. Barroso resigned in June 2004 as Prime Minister to become President of the European Commission. The Commission's forecasts for the 2004 deficit of Portugal before and immediately after Mr. Barroso resigned pointed to a 2004 deficit below 3% of GDP. Deficits for 2005 and the following years were the responsibility of the respective following governments. Mr. Barroso was well known in his country and in European circles for his strong commitment to fiscal discipline and sustainable public finances, including as opposition leader and prime minister. This has been an essential part of his political profile.

2. The letter President Barroso sent to Heads of State or Government of the euro area on 3 August 2011 does not propose an increase of the EU rescue fund EFSF. First and foremost, it calls for rapid implementation of the 21 July agreement of the heads of the euro area and the EU institutions. Secondly, President Barroso and the Commission push for a continuous re-assessment of all crisis instruments and mechanisms to adapt to the evolving challenges of the sovereign debt crisis. The Commission believes that this is necessary to send a signal of credibility to the markets and ensure the effectiveness of EU action. This should include also a re-assessment of all elements of the EFSF as President

Barroso calls for in the letter without prejudging the outcome of any future discussions on its scope of action or size.

3. Suggesting that the Commission has a hidden agenda by pushing for a transfer union, which rewards irresponsible fiscal and economic policies, is simply not true. The Commission and its President have always stressed the importance that any financial solidarity is matched by responsibility and must be tied to the condition that beneficiary countries adopt and implement sound fiscal policies and structural reforms. To put it simple: No effort, no money. It is essential that all Member States understand and follow this approach.

We kindly ask you to ensure publication of this letter to prevent any reputational damage based on this erroneous commentary.

We have also posted this comment in Spiegel online and put it on President Barroso's website under http://ec.europa.eu/commission_2010-2014/president/news/speeches-statements/2011/08/20110803_speeches_1_en.htm.

Yours sincerely

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