



PES Presidency Declaration on the Greek and euro-zone crisis

Immediate European Solidarity is a Financial and Moral necessity

As the crisis deepens in Greece, and following the Greek Government's formal request for the assistance of its European partners and the IMF, we, the Presidency of the Party of European Socialists (PES), declare that the principle of European solidarity is **a financial and moral necessity**. The euro-zone Member States must grant the required financial assistance to Greece immediately. Any further ambiguity is unacceptable.

From the beginning of this crisis, the Party of European Socialists has clearly and consistently shown the right path. Our **European Mechanism for Financial Stability** has been rigorously tested and endorsed by legal, economic, financial and political experts. It is time for the Conservative forces, especially in Germany, to stop clinging to their discredited financial model and embrace our common sense solution. For the sake of Greece and the euro-zone, this must happen now.

The current reluctance to act, particularly by the German Chancellor, contradicts the very principle upon which the EU was founded. It is a Conservative smoke signal to speculators that attacks on the euro-zone is acceptable. European citizens are tired of this cynical coded language. In a time of hardship people need principled leadership. The PES has shown this leadership by outlining our plan for fair recovery.

The Greek Government has displayed – and proven – its commitment to tackling the huge public finance hole left by the previous Conservative Government. The fiscal consolidation plan currently being implemented in Greece is hugely significant, as will be the positive long term results. Long term rehabilitation requires a careful, patient plan. Greece has taken the first steps, steps which are the most painful. Now is the time for concrete support.

We urge the European Council to take three clear steps; the establishment of a European Mechanism of Financial Solidarity, as agreed by the PES Prime Ministers and Leaders' Conference of 25 March; the establishment of a European Union Financial Transaction Tax (FTT) and stronger financial regulation, in particular on Credit Default Swaps on sovereign debts and the banning of naked short-selling. The mechanism, which is genuinely European, would provide effective protection to all euro area Member States and constitute the only appropriate policy answer available to us in the current institutional design of the EU. It does not require a direct contribution from European taxpayers and it ensures lower spreads. The FTT would provide vital new tax revenue in a time of crisis. The Financial regulation is an essential foundation.

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