



Protesters light flares during a mass rally to protest against alleged vote rigging in Russia's parliamentary elections in Moscow, yesterday

Government, Opposition agree on fiscal discipline constitutional amendment

JOHN CORDINA

In the wake of a crucial European Council meeting, both the government and the Opposition have signalled their agreement to amend the Maltese Constitution to guarantee fiscal discipline.

In last Friday's summit, EU leaders – with the exception of the UK – agreed that a “golden rule” on fiscal discipline should be written into member states' Constitutions, in line with a German demand.

Amending the Constitution, however, will require a two-thirds vote in Parliament. Labour leader Joseph Muscat said in Parliament yesterday that his party understood the rationale behind the Council's decision and agreed with it.

Earlier, Prime Minister Lawrence Gonzi had described the Council meeting, which addressed the concerns of financial markets, as a “great success”. He said the markets had sought both stability and certainty and that the Council had found a way to address both.

Dr Gonzi said he had no difficulty with aiming for a balanced budget, as this was already the government's objective. This year, he said, Malta was set to be one of few EU countries whose deficit was less than three per cent of its GDP, and that he did not disagree with automatic penalties for those who breached fiscal discipline rules.

However, the Prime Minister stressed that he wished all EU countries were on board, since even troubles in a country outside the eurozone could affect it.

In his reaction to Dr Gonzi's

comments, Dr Muscat expressed his agreement to a constitutional amendment, but stressed that it must be flexible to allow present and future governments to take the necessary measures in particular situations. He quoted Dr Gonzi – who noted, in his intervention, that the government postponed its balanced budget target to safeguard jobs – as an example.

Despite agreeing to the amendment, Dr Muscat was nevertheless less optimistic about the Council's outcome, pointing out that while several Council meetings had been hailed as decisive in recent years, the situation had only worsened. With this in mind, he said, Malta should not rush to amend its Constitution while intergovernmental talks were still underway, since the amendments might be superseded by later developments.

The Labour leader also lamented on how the agreement was reached, stating that having France and Germany reach an agreement and expecting everyone to follow suit was not in the spirit of the European community.

Dr Muscat expressed concern about the report on further fiscal integration, which, the Council agreed, should be prepared. He noted that while no binding agreements had yet been reached on the issue, Malta should not lose the right to decide its own taxation policy.

Specifically, Malta must oppose any efforts to create a common consolidated corporate tax base and a financial transaction tax as these would erode its competitiveness. The latter, he said, was agreeable only if introduced globally.

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Thousands join Moscow protests

Thousands of protesters have gathered in Moscow in a show of anger over disputed parliamentary polls.

The Opposition says the protest – on an island just south of the Kremlin – could become the largest the country has seen in two decades.

Smaller rallies have taken place in cities across the country.

Protesters allege there was widespread fraud in Sunday's polls – though the ruling United Russia Party saw its share of the vote fall sharply.

Hundreds of people have been arrested during anti-Putin protests over the past week, mainly in Moscow and St Petersburg.

At least 50,000 police and riot troops were deployed in Moscow ahead of yesterday's protests.

Authorities have permitted up to 30,000 to attend the demonstration dubbed “For Fair Elections”.

Thousands have turned out for rallies in cities across the Urals and Siberia and as far east as Vladivostok.

The protesters have got one demand – for the elections to be held again.

Nobody believes they were free and fair. Many are also asking that the head of the election commission stands down, and some are going even further and demanding that Vladimir Putin himself resigns.

There's a real sense of anger – and although the numbers are not that big in global terms, in Moscow terms this is a very, very significant demonstration.

These numbers of people simply haven't come out onto the streets of Moscow since the 1990s.


In St Petersburg, 13,000 people have pledged on the social networking site Vkontakte to take part in protests, with another 20,000 saying they might take part.

Earlier in Vladivostok, seven time zones to the east of Moscow, several hundred people marched. At least 20 people were detained following a protest in the far-eastern city of Khabarovsk, local news agencies said.

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