Practical arrangements for the introduction of the EURO. Green paper

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The committee adopted the report by Mrs Christa RANDZIO-PLATH (PSE, D) on the practical arrangements for the introduction of the single currency. Mrs RANDZIO-PLATH stressed the need for the European Parliament to adopt a position on the practical arrangements for the introduction of the single currency and emphasized that the committee was agreed that the Madrid summit needed to close with a clear perception of both the concepts and timing of the changeover to the single currency. The rapporteur considered that these arrangements needed to be "clear, unequivocal and irreversible". The report opened by stressing that challenging monetary union would jeopardize the internal market, economic integration and any further enlargement and went on to examine all aspects of the changeover to the single currency: - the changeover needed to be simple and transparent if monetary union was to gain public acceptance and double pricing would therefore be needed during stage 2. This would also prevent any underhand price increases. An information campaign at EU level should be organized, starting in 1996. Round tables involving all operators should be organized at various levels in order to address the problems and find acceptable solutions; - the "critical mass" scenario (i.e. a significant proportion of transactions in the single currency) was the only planned scenario which was compatible with the Treaty and technically feasible. Measures were needed which would allow the maximum number of states to join and which would help guarantee strict compliance with the convergence criteria and encourage job-creating growth. Strict compliance with the criteria by the maximum number of states was the best way of preventing speculative disruptions during the transitional stages; - any attempt to change the timetable in the Maastricht Treaty should be challenged. The single currency needed to be introduced in three stages but this transition needed to be limited in time. Stage 1 would commence on 1 January 1998, so that stage 2 could start by 1 January 1999 at the latest. Stage 2 should last a maximum of two years. Stage 3 should be reduced to the minimum needed to change over currency signs on equipment and should take no more than a few weeks (with longer periods of 2 to 3 months allowed for certain specific groups); - a regulation on the single currency ("monetary law") needed to be drawn up in advance and all the necessary legal and technical measures needed to be adopted promptly. The Madrid summit needed to decide on the name for the single currency. The currency should have a uniform appearance and technical preparations needed to be speeded up; - an EMS needed to be maintained, using the single currency as a reference point, with the countries which would not be participating in EMU from the outset. The rapporteur was in favour of mechanisms which prevented unilateral revaluations and devaluations within the framework of defined fluctuation margins, paved the way for a financing instrument, suitably amended intervention mechanisms and thus helped to prepare and support participation by all the Member States of the European Union at a later date. Mechanisms which prevented unilateral changes to parities and prepared for participation by all the Member States at a later date needed to be put in place; - the 1996 intergovernmental conference needed to focus on tightening links within the Union, maintaining the equilibrium between monetary union and economic union and developing new political instruments and institutional structures which would safeguard this equilibrium in the long term.