Convergence. 1996 Report

1996/0913(CNS) - 19/11/1996

The Commission and EMI convergence reports and the conclusions of the ECOFIN Council came up against several matters of concern set out in the report by Mr Alman METTEN (PSE, NL), adopted on 30 October and the Economic and Monetary Committee held a new vote in order to take account of these factors. In its initial version, the convergence report insisted on the need for effective convergence and highlighted the latitude for interpretation of the criteria in the Treaty. As this latitude was reaffirmed in the Commission and EMI reports, the ECON felt there was no need to repeat this in its proposal for a resolution. Although the deletion of points relating to flexible interpretation was readily adopted, the same cannot be said of the application of a weighted average rate for inflation. It was, in the end, only by a slight majority that the reference to weighted rates was deleted. However, the proposal for a resolution retained two elements: abrogation of excessive deficits decisions once the excessive deficits no longer exist and considering whether formal ERM participation for two years is necessary for the assessment of the criterion on exchange rate stability.