Economic and monetary union EMU: external aspects

1997/2065(COS) - 13/01/1998 - Text adopted by Parliament, single reading

In adopting the report by Mr Giorgio RUFFOLO (PSE, I), the European Parliament expressed the view that, in the third stage of EMU, a monetary policy must be pursued aimed at moderating long-term interest rates so as to encourage an exchange rate for the euro that was not overvalued vis-à-vis the dollar. Parliament considered that, in order to maintain an exchange rate with the dollar which reflected the relations between economic fundamentals as accurately as possible, the European Central Bank should avoid interventions designed to manipulate the exchange rate for competitive purposes, but that it should, on the other hand, intervene to deal with occasional turbulence using normal monetary policy instruments. In the event of more substantial exchange rate disturbances, Parliament called for the requisite measures in response to accord with the general economic policy of the Union and to include, in addition to the competence of the Council of Ministers, the exercise of a right of initiative on the part of the Commission. It called, therefore, on the Council and the Commission to reinterpret Article 109 of the Treaty with a view to establishing more effective procedures to enable the Ecofin Council to exercise its key responsibilities for exchange rate policy. Parliament called for greater cooperation with the United States with the aim of concluding a formal agreement on an exchange rate system which would discourage speculators and promote monetary stability. To this end, it stressed the need for better representation of the Union in international fora.