The agri-monetary system for the single market, 1 July 1995 to 30 June 1996

1996/2275(COS) - 19/09/1997 - Text adopted by Parliament, single reading

In adopting the report by Mr David HALLAM (PSE, UK), Parliament agreed with the Commission that it was premature to submit a proposal for a Council regulation to adapt the agri-monetary arrangements, because of the uncertainties which existed concerning economic and monetary union, the accession of new Member States and further reform of the CAP in the context of Agenda 2000. It believed, however, that continued effort should be made to simplify the rules of the system, without compromising the system as a whole, and it called, in particular, for the 'green rate' to be used as the sole rate for all trade. Parliament noted that proposals for a reform of the system would have to be submitted in 1998 and considered that a security net should be established in case currencies got too far out of line. It suggested that a ceiling and a floor exist within a band of 5% of an agreed reference point, in order to prevent too much disturbance of markets or incomes caused by currency fluctuations. It suggested that, in the long run, the agri-monetary system could be self-financing, although it recognized that there would still be a need for complement any payments.