Monetary policies and their effects on the real economy in the context of preparation for the third stage of EMU

1996/2221(INI) - 28/11/1996 - Text adopted by Parliament, single reading

In adopting the report by M. Lyndon HARRISON (PSE, UK) on the impact of monetary policy on the real economy, the European Parliament underlined the necessity to realize EMU under the conditions of the Treaty on European Union and within the calendar, in order to reach an appropriate policy mix between monetary policy and budgetary policy. In addition, if the primary objective of monetary policy is price stability, a satisfactory link has to exist with various other indicators, such as the gross fixed capital formation and investment patterns, the development of unit labour costs, the balance of current account, the unemployment rate and the progress in the completion of the internal market. Parliament also called for an interinstitutional agreement which would cover the appointment of directors to the ECB and of members to the Economic and Financial Committee.