Basic information

1995/2092(INI) INI - Own-initiative procedure	Procedure completed
Increased world monetary cooperation with a view to better regulation of monetary and financial markets **Subject** 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	GARRIGA POLLEDO Salvador (PPE)	21/06/1995

Key events

Date	Event	Reference	Summary
13/06/1995	Committee referral announced in Parliament		
21/02/1996	Vote in committee		Summary
21/02/1996	Committee report tabled for plenary	A4-0053/1996	
18/04/1996	Debate in Parliament		
18/04/1996	End of procedure in Parliament		
13/05/1996	Final act published in Official Journal		

Technical information

Procedure reference	1995/2092(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/06702

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0053/1996 OJ C 117 22.04.1996, p. 0003	21/02/1996	
Text adopted by Parliament, single reading		T4-0194/1996 OJ C 141 13.05.1996, p. 0168-0202	18/04/1996	Summary

Increased world monetary cooperation with a view to better regulation of monetary and financial markets

1995/2092(INI) - 18/04/1996 - Text adopted by Parliament, single reading

Adopting the report by Mr GARRIGA POLLEDO (PPE), the European Parliament reiterated that the objective of international monetary cooperation was to implement monetary and fiscal policies which would lead to lower long-term interest rates and sustained economic growth. With regard to exchange rates, it noted that case-by-case coordination of economic policy measures between the three major economies (United States, Japan and European Union) was politically impracticable without an institutional framework. Considering that exchange rates should be a principal objective of international political coordination, it also stated that official intervention to regulate currency markets would only have a limited impact unless the underlying economic fundamentals were sound. Parliament considered that the current international monetary system based on the predominance of the dollar should develop into a system in which other currencies, including the single currency, play a more important role. As far as cooperation in relation to external debt is concerned, it called for developing countries, economies in transition and the poorest countries to have greater access to private international capital markets. As far as the institutional cooperation framework is concerned, Parliament called for the system to prevent financial crises to include better and more effective monitoring of national economic policies and developments on the financial markets. Considering that the G7 cooperation framework did not allow monitoring of the policies of emerging countries, it called for the multilateral monitoring procedure to be carried out by the IMF. Supporting the reforms agreed at the Halifax summit by the G7, it also called on the Commission to take measures to strengthen the prudential rules applicable to the derivatives market. Finally, it considered that the European Union should be a full member of the international monetary cooperation institutions. Parliament also supported the creation of an international economic council comparable to the UN Security Council which would create the necessary conditions for improved monetary cooperation. It called for the IMF to report twice a year on developments in financial and currency markets and to provide information as to any economic sectors in the three main industrialized countries in which coordination was defective or where shortcomings were giving rise to undesirable trends on financial and currency markets. It agreed with the conclusions of the UN report "A call to action" on the need for an international tax on currency transactions and called on the Union to take steps to speed up the introduction of a minimum global tax on currency transactions. Finally, it called on the Commission to investigate the possibility of introducing a tax on international speculative capital transfers and trading in derivatives in order to soften the destabilizing consequences of ever-growing international financial speculation.