

EUROPEAN PARLIAMENT

Working Documents

1976 - 1977

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DOCUMENT 392/76

MOTION FOR A RESOLUTION

tabled by Sir Brandon RHYS-WILLIAMS

pursuant to Rule 25 of the Rules of Procedure

on disorders in world currency markets

PE 46.608

The European Parliament

- deploring the serious disorders in world currency markets and fully aware of the damage done to trade and investment by conditions of unpredictability and loss of confidence;
 - aware that movements of short-term funds are creating pressures both upwards and downwards on the structure of Community rates of exchange and thereby giving rise to unacceptable distortions and strain; and admitting that remedial actions taken in recent months have been largely ineffective;
 - noting that the divergence of interest rates in the main financial centres of the Community is fragmenting the capital market and depriving Member States of the benefit of a rational approach to investment decision
1. Accepts that in the foreseeable future the Member States will continue to formulate their own policies in regard to economic and monetary developments and that changes from time to time in the values of Community currencies will be unavoidable both in relation to each other, and to the currencies of overseas trading partners;
 2. Judges that the maintenance of the currency snake by certain Member States and certain other countries having close ties with the Community adds strength to the European economy, but recognises that it cannot provide a stable basis for a monetary system uniting the whole Community while serious economic, monetary, social or technological problems in certain Member States remain unresolved and are creating insuperable obstacles to the adoption of fixed rates of exchange;
 3. Insists nevertheless that the Community has it within its powers to operate a multicurrency system which is resistant to irrational and destabilising forces, thereby assisting trade, giving confidence to investment and contributing to the health of the world economy;
 4. Applauds the initiative of Mr Duisenberg in seeking to promote a practical new approach;
 5. Calls upon the Commission urgently to formulate specific recommendations; for a Community monetary constitution capable of acceptance by all Member States, embodying realistic guidelines for monetary and budgetary policies, stating clearly the obligations and benefits of membership, strengthening the unit of purpose of the Community and restoring the momentum of advance to economic and monetary union;
 6. Instructs its President to forward this resolution to the Council and Commission of the European Communities.