Fiche de procédure

Basic information

CNS - Consultation procedure Recommendation 1998/0812(CNS)	Procedure completed
Single currency: Member states fulfilling criteria (art. 109 J, para. 2 and 4, EC treaty) Subject 5.10.01 Convergence of economic policies, public deficit, interest rates	

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy		22/01/1997
		PPE VON WOGAU Karl	
Council of the European Union	Council configuration	Meeting	Date
	Heads of State or Government	2088	03/05/1998

Key events

30/04/1998	Legislative proposal published	07884/1/1998	Summary
02/05/1998	Committee referral announced in Parliament		
02/05/1998	Vote in committee		Summary
02/05/1998	Debate in Parliament		Summary
02/05/1998	Decision by Parliament	T4-0247/1998	Summary
03/05/1998	Act adopted by Council after consultation of Parliament		
03/05/1998	End of procedure in Parliament		
11/05/1998	Final act published in Official Journal		

Technical information

Procedure reference	1998/0812(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Recommendation
Legal basis	Rules of Procedure EP 52-p1; EC before Amsterdam E 109J

Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/10039

Documentation gateway

Legislative proposal		07884/1/1998	30/04/1998	CSL	Summary
Text adopted by Parliament, 1st reading/single reading		T4-0247/1998 OJ C 152 18.05.1998, p. 0105-0107	02/05/1998	EP	Summary

Final act

Decision 1998/317
OJ L 139 11.05.1998, p. 0030 Summary

Single currency: Member states fulfilling criteria (art. 109 J, para. 2 and 4, EC treaty)

OBJECTIVE: Council recommendation on the list of Member States which meet the conditions for adoption of the single currency. SUBSTANCE: The Council of Ministers of Finance considers that Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland meet the conditions for the adoption of the single currency. It therefore recommends that the Council, meeting at the level of Heads of State or of Government, confirm that these eleven Member States may jointly adopt the single currency as of 1 January 1999. ?

Single currency: Member states fulfilling criteria (art. 109 J, para. 2 and 4, EC treaty)

Opening the debate, President José Maria Gil-Robles hailed "an unprecedented event in history" whereby a number of countries were entering voluntarily into monetary union.Speaking for Council, British Chancellor of the Exchequer, Gordon Brown, thanked MEPs for their "much valued contribution" to the process of EMU. He reminded them that around 50 years ago Europe's leaders had sought to establish an agreement that would ensure permanent peace. However, they recognised that peace could only rest on prosperity. As early as the Messina Conference in 1954, they had called for monetary union, since when they had moved ever closer together. It was the EU's ambition to create greater employment and prosperity in an economic market which produced one fifth of the world's output. The shared aims of growth were dependent on EMU. In order to sustain EMU, Council had been obliged to determine whether countries had made the necessary steps to ensure legal and economic convergence. EU Finance Ministers had unanimously agreed with the Comission that eleven countries fulfilled the necessary conditions for EMU having achieved a high degree of sustainable economic convergence. To reach this point, they had shown a continuing commitment to stability and fiscal discipline with more efficient labour markets and the encouragement of entrepeneurship. However, he stressed that this was part of a continuing commitment to stability which must be maintained. EMU, he said, was borne out of shared objectives for growth and employment and a mutual interest in fiscal discipline and economic reform. The aim, he concluded, was to secure jobs, growth and prosperity in a people's Europe where everyone had a contribution to make. It was then the turn of Commission President, Jacques Santer to welcome today's decision to "turn vision into reality" as he put it. The deadlines laid down in Madrid had been met and this was no mean achievement, he added. There had been progress with regard to convergence and economic developments, even compared to one year ago. The process was now irreversible and he had no doubts that it would bring economic benefits all round, not least in getting rid of transaction costs, speculation and improving prospects for trade. It would act as a catalyst for change across the EU and stimulate business investment, he said. He emphasised the introduction of the euro was not an end in itself but rather an instrument to help in the fight against unemployment. In addition, it was important to ensure that there would be no extra costs for consumers. A strong union based on a strong currency would also have wider benefits especially with new member states from Eastern Europe, he concluded. Chairman of the Committee, Karl von Wogau (D, EPP) explained the background to today's historic events and how it was necessary for the Committee to meet early this morning to consider Council's recommendations. He was able to report that the Committee voted 54 to 3 with 2 abstentions in favour of the eleven countries joining in the first wave. He then paid tribute to the forefathers of EMU, such as Pierre Werner, Valerie Giscard D'Estaing, Helmut Schmidt, President Mitterand, Chancellor Kohl and Jacques Delors. Many others too had paved the way for this historic day. It would, he said, form a strong basis for the next century and improve Europe's competitivity. It was, he said, of global importance and the most important decision taken in the history of the EU since the signing of the Treaty of Rome. PES leader, Pauline Green (London North) then expressed her delight in seeing a British Labour Chancellor appear before the House with Council's recommendations. At the same time, she welcomed what she described as the positive and sensible approach of the UK. The events would improve prospects for a "Yes" vote in the UK and she emphasised that she would be campaigning for such a vote. It was also important to realise that the success of the euro was important for all 15 member states, who had made tremendous strides to bring their economies into line. She too paid tribute to the Commission and Commissioner Jacques Delors for his work in bringing about the introduction of the single currency. The success of EMU was, she said, an unprecedented example of showing what the EU could do when there was political will to bring it about. It was necessary to allay the fears of those citizens who worry about its effect and in particular, high unemployment. It was vital to emphasise that the importance of the new global economy and the need to strive to make Europe's industry more competitive and able to survive in the new international environment. This was constantly changing and would no doubt be different again in 5 to 10 years' time. To succeed, it was necessary for Europe's economy to be fully in line with such developments and she felt there was still a pressing need for more economic cooperation. In emphasising that the European Parliament had played its part in the process, she then urged Council to do the same and start by taking a decision on "one Governor eight years" - for the new European Central Bank. The press speculation of the last few weeks had shown the kind of pressure that would be put on the new institution and that it was now up to Council to ensure a successful launch by taking this vital decision. Furthermore, there was a clear need for direct lines of accountability between the Central Bank and the European Parliament, the only pan-European body able to exercise this role. Parliament, she said, was not governed by the same national, political pressures and was in an ideal position to forge close links with the Bank and enable it to explain its work to a wide audience. Welcoming a "victory for our people", Wilfried Martens (B, EPP) applauded the drastic "cleaning- up" of Europe's economies. He reminded MEPs that the EPP had always supported the concept of EMU. He noted that it was also in favour of democratic accountability for the ECB without compromising its independence and believed there should be only one candidate for the Bank's Presidency. The eleven participants, he said, were the pioneers of a bold Europe which could create lasting jobs and safeguard citizens' purchasing powers. His group also wished to create a human Europe which would have the social economy as its guiding principle. The single currency, he believed, would act as a pole of attraction and boost the EU's ambitions, however, it was important to reform its institutions. He hoped that more member states would eventually join the euro zone. In conclusion, Mr Martens hailed the EU as the "real political masterpiece of the 20th Century" and he applauded those individuals who had contributed towards its development. Claudio Azzolini (UFE, I) also hailed an "historic event". The euro, he said, would be a symbol of solidarity, security and peace. He believed, however, that monetary union should be complemented by political union. Quoting the French saying "it is money which makes war", Mr Azzolini argued that this time money was making peace. Gijs de Vries (Nl, ELDR) applauded an event which it appeared that only idealists had thought possible. He argued that sound money required an independent Central Bank and there should be just one candidate. He warned of the hidden form of national debt represented by pensions and stressed that it was important to increase the role of private insurance providers, while calling on President Santer to come forward with proposals for pension reform. He stressed the need to reduce unemployment. European integration, he said, should become a tangible reality, however, the confidence of EU citizens was necessary as otherwise it would be in jeopardy. He too stressed the importance of proper democratic surveillance while also stressing that national interests coincided with those of the euro. Alonso Puerta (E, EUL/NGL) expressed his Group's mixture of hope and concern. There was hope, he said, as there were clear advantages in EMU. However, there was also concern at the pursuit of dogmatic ultra-liberal policies. He warned against inadequate scrutiny of the ECB and called for proper harmonisation of labour legislation. In conclusion, however, he wanted all member states to participate and wished the greatest success to the initial eleven. Claudia Roth (D, Greens) noted that there had been some division in her group. She favoured a single currency but warned of economic and social risks and she cautioned against additional conditions being imposed on participating countries. Stability, she said, was more than just figures in accountants' books and it was also important to have justice and democracy. She concluded by stressing the importance of showing people that Europe belonged to them. Catherine LALUMIERE (F, ERA) echoed other speakers in welcoming EMU which she saw as a political victory over financial markets. She believed it would act as an accelerator for political integration. She too argued that it was important to have a fast and clear decision on the ECB President as there should not be two successive holders of the office. Nothing, she concluded, should blemish this great day. Johannes Blokland (NL, I-EN struck a discordant note by arguing that EMU would not benefit those countries applying for EU membership. He believed that the EU was concentrating power in an unacceptable way. He called for the broadest possible European Union of independent democratic states and stated that he would be voting against EMU. Cristiana Muscardini (I, Ind) stated that EMU would give certainty to the people of Europe and she thanked them for having accepted such major sacrifices. She too called for economic union to be followed by political union. Christa Randzio-Plath (D, PES) stressed that the single currency was a step towards an ever closer union and that it would give greater certainty and stability to the EU.Monetary policy, she said, must be in the interests of all those participating and she believed that EMU would make a contribution to political union. With the introduction of the single currency, Jean-Claude Pasty (F, UFE) regretted that it was rather "a football team" of eleven players rather than the "rugby" team of fifteen that he would have preferred. Notes of dissent about the effects of the single currency were expressed by a few speakers including Nel van Dijk (Nl, Greens), Georges Berthu (F, I-EN) and Jean-Marie Le Pen (F, Ind). Mrs van Dijk was concerned that in view of diverging economies, the currency might not be strong enough to respond to crises without the necessary solidarity. And yet as could be seen in the attitude of countries such as the Netherlands, which wanted to reduce its own budgetary contributions, this solidarity would not necessarily be forthcoming. Mr Berthu did not think it was possible to impose uniform laws on different states. He warned of future conflict and the "death knoll" of democracy as the people had not been involved. Mr Le Pen too, argued that the people had not been consulted on what he described as the "expropriation" of their money. It was, he warned, the first process towards a single economic policy and a single government, sweeping away nation states. Alan Donnelly (UK, PES) on the other hand, took the view that the fact that a single currency was now being introduced, showed that the EU could work together when there was the necessary political will. This, he argued, was why politicians from Right Wing parties feared its implications. He did, however, urge Council to come forward with a strong commitment to tackle unemployment, ensure that the outlying regions were not left out and strengthen education and training. It was up to the Bank to remember that its future would be judged by how much it contributed to all these factors and not just in ensuring price stability. Klaus Lukas (A, Ind) was another member who said he would be voting against, while Fernand Herman (B, EPP) complained about the abuse of the "right of veto" as he put it, by one member state in trying to block the proposed candidature for the Central Bank. What mattered was to have somebody who was credible and independent and in this context, nationality was not relevant. For the future, Europe should be speaking more with one single voice, he added. Joe McCartin (Connacht/Ulster, EPP) expressed the hope that the euro would be the symbol of the independence of Europe and there would be steps towards further integration. He hoped that all member states would join the common currency. Ireland, he said, when it joined the EU had a GDP of only 59% of the EU average - it had now achieved the average level. The smaller member states, he concluded, needed EMU more than the larger ones. Bernie Malone (Dublin, PES) reminded MEPs that countries were required by the Maastricht Treaty to manage their currencies in the common interest. She hoped that countries would adhere to this and that the UK in particular would not suddenly devalue sterling. Wayne David (South Wales Central, PES) welcomed the fact that Europe was in the process of creating real peace and stability. He was proud that the event had taken place under the UK Presidency and that the British Labour Government had committed itself in principle to joining EMU. Concluding for the Council Mr Brown thanked MEPs for the support that they had given to the project of EMU and applauded their "eloquence and passion". He noted that Council's decision to launch EMU was unanimous and that they had followed the obligations of the Treaty to the spirit and the letter. He stated that progress was being made in Council on the issue of the ECB and he would report on this. The agreement on EMU, he stressed, would represent a new challenge for Europe as it sought to achieve higher levels of growth, employment and prosperity. The decisions reached showed that Europe was more united and more internationalist and it would address the concerns of the unemployed and the socially excluded.

Single currency: Member states fulfilling criteria (art. 109 J, para. 2 and 4, EC treaty)

The committee adopted by 54 votes to 3, with 2 abstentions, the proposal for an oral resolution concerning the recommendation of the Council of Ministers for Economic Affairs and Finance of 1 May, pursuant to Article 109j (2) of the Treaty. Members of the committee noted that the proposal adopted by the Council corresponded to the recommendation adopted by the Commission on 25 March 1998, concerning which Parliament had delivered a favourable opinion on 30 April 1998 (CNS 98128). ?

Single currency: Member states fulfilling criteria (art. 109 J, para. 2 and 4, EC treaty)

The European Parliament adopted by a large majority - by 468 votes to 64, with 24 abstentions - the recommendation by the Council of Ministers of Finance that Monetary Union be launched in 1999 with eleven of the fifteen Member States of the Union: Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland. ?

Single currency: Member states fulfilling criteria (art. 109 J, para. 2 and 4, EC treaty)

OBJECTIVE: Decision on the transition to the third stage of EMU. COMMUNITY MEASURE: Council Decision (EC) 98/317 pursuant to Article 190j(4) of the Treaty. SUBSTANCE: the Council decides that Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland meet the necessary conditions for the adoption of the single currency on 1 January 1999. ?