



## Resolution 498 (1971)<sup>1</sup>

### Problem of currency stability

Parliamentary Assembly

The Assembly,

1. Notes the report of its Committee on Economic Affairs and Development ([Doc. 3007](#)) ;
2. Recognises that the rapid correction of the US payments imbalance is essential, but that it will inevitably involve substantial changes in the patterns of world trade and the movements of capital which could be damaging to the world economy and which make more than ever necessary a close alignment of policies by European countries ;
3. While aware of the international monetary difficulties, notes with regret that no date has yet been set for the ending of the US import surcharge and other protectionist measures, but would deprecate any retaliatory moves on the part of other countries ;
4. Welcomes the efforts of the International Monetary Fund to work out a new universal system for monetary co-operation ;
5. Recognises the potential value of the studies now being undertaken of the future role of Special Drawing Rights as "numeraire" for national currencies and a future source of international liquidity replacing national reserve currencies within a system which would eliminate the possible inflationary effects ;
6. Insists that the restoration of a structure of official parities must be achieved with the minimum of delay, but recognises that it must in future be sufficiently flexible to take account of the real changes which take place in the value of national currencies ;
7. Accepts that the maintenance of a structure of fixed parities requires that minor and more frequent changes should be permitted, and that wider margins for dealing in currencies is essential for the free functioning of the exchange markets ;
8. Is aware of the particular responsibilities of European governments for restoring stable commercial and monetary relationships within Europe, but recognises that full-scale monetary integration requires a very high degree of co-ordination of fiscal, commercial, economic and monetary policies;
9. Calls upon national monetary authorities in countries which are willing to harmonise their currency control policies to collaborate in the operation of an informal pact, the objects of which are to co-ordinate day-to-day supervision of currency markets ; to establish accurate data on economic trends and the movement of funds, changes in interest rates and the impact of national policies ; and to keep close contact at official level for the maintenance of orderly and stable conditions ;
10. Calls upon the governments of all countries proposing to advance to currency integration to review the proposals of the Werner Committee, to establish a new timetable for advance and to take the necessary initiatives for setting up the European Fund for Monetary Co-operation.

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1. Assembly debate on 5 October 1971 (10th Sitting) (see [Doc. 3007](#), [Doc. 3007](#), report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 5 October 1971 (10th Sitting).

