



Resolution 523 (1972)¹

European economic and monetary union

Parliamentary Assembly

The Assembly,

1. Welcomes the monetary agreements of December 1971 setting up a new structure of official exchange rates for the major currencies used in world trade, and in particular the decision by the US Government to amend the value of the US dollar in terms of gold ;
2. Recognises the extent of the difficulties of the International Monetary Fund in restoring confidence and attaining world monetary stability in the face of the continuing large surpluses and deficits in the balance of payments of prominent member countries, the existence of large sums of mobile capital and the inconvertibility in practical terms of the US dollar ;
3. Maintains its strong support for recent initiatives by European countries in preparation for an effective European currency pact, and expresses its confidence that progress in this direction will contribute significantly to the lasting solution of international monetary problems and the growth of world trade ;
4. Sees that significant advances in trade and investment in developing countries may be expected to follow from the attainment of stable monetary conditions and a high level of economic activity in Europe ;
5. Commends the agreement on specific policy objectives for attaining closer monetary and economic integration within member countries of EEC drawn up by their finance ministers in Brussels on 7 March 1972 ;
6. Notes in particular the decision of the finance ministers of EEC that exchange rate fluctuations between EEC currencies should be restricted to a maximum of 2.25 %, but accepts that the necessity for parity adjustments will not be ended by the adoption of common monetary policies alone;
7. Calls upon the monetary authorities of European countries to arrange for the regular publication of data necessary for informed assessments to be made of the factors affecting the relative values of their own and other national currencies, and to make possible the judicious consideration of the timing and extent of any parity adjustments which may from time to time be required ;
8. Calls upon the governments of member countries to give all necessary support and facilities for the development of active forward dealings in European currency markets to enable long-term cover to be taken out for transactions in all the principal currencies of world trade ;
9. Asserts the necessity for European institutions to be established which will be capable of carrying out the functions of a European Central Bank and a European Fund for Monetary Co-operation ; to assist in the harmonisation of national credit, fiscal, budgetary and economic policies ; to take the necessary steps to control the availability of liquid funds and short-term capital movements ; to promote balanced investment throughout the countries subscribing to their foundation ; and to make provision for the adoption of a common European unit of account ;

1. Assembly debate on 18 May 1972 (5th and 6th Sittings) (see [Doc. 3124](#), report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 18 May 1972 (6th Sitting).



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10. Insists that countries aiming towards the harmonisation of European monetary and economic policy (and particularly those countries now proceeding towards full integration) must be ready to align the action of their national governments and monetary authorities towards the purpose of attaining their common objectives, and must accept on a permanent basis the high degree of co-ordination essential in the management of their national affairs.