



Resolution 487 (1971)¹

Eurodollar market

Parliamentary Assembly

The Assembly,

1. Having taken note of the report of its Committee on Economic Affairs and Development ([Doc. 2939](#)) ;
2. Considering that the uninterrupted expansion of world trade and the unprecedented rate of economic growth which have marked the period since 1950 would probably have been impossible in the absence of an international monetary system based on the dollar ;
3. Considering that the Eurodollar market has served as a buffer between the different national currencies, thus giving increased flexibility to the international balance-of-payments adjustment process ;
4. Conscious, however, of the fact that the Eurodollar market represents a mass of floating capital which can serve as a vehicle for speculative movements of funds, with all the difficulties that this creates for national economic and monetary policy ;
5. Conscious also of the fact that, as a result of the links which exist between the Eurodollar market and the state of the American economy, the monetary policy of European governments is influenced by the economic and financial situation in the United States ;
6. Observing, however, that the process of economic integration freely accepted by the European countries implies the existence of an international currency, and that no European currency is presently either willing or able to fulfil this role ;
7. Is opposed to any policy which would call in question monetary convertibility or the free movement of capital, except in the case of exceptional measures taken to protect the balance of payments, preferably according to multilateral procedures ;
8. Recognises that the only viable short-term policy is to strengthen the present machinery for co-operation between Central Banks, with a view to exploring better methods of protecting the European economy against the effects of massive dollar flows across the exchanges ;
9. Considers in this connection that the Central Banks should be able to count on the self-discipline of all financial and banking institutions ;
10. Hopes that the attempts being made to develop means of creating international liquidity under effective international control, other than through the reserve currencies, will be pursued ;
11. Considers that the only long-term solution to the difficulties arising from Europe's present dependence on the dollar and hence on American policy lies in the creation of a European monetary unit in the framework of an enlarged Community ;
12. Emphasises that the creation of a European monetary unit implies the unification of monetary and fiscal policies, and that it will only be consolidated when the process of economic integration is complete.

1. Assembly debate on 13 and 14 May 1971 (6th and 7th Sittings) (see [Doc. 2929](#), report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 14 May 1971 (7th Sitting).

