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COMMON POSITION
OF THE COUNCILAMENDMENTS
BY PARLIAMENT

referred to in paragraph 1 is based on shortcomings in the European specifications, the Commission shall, after consulting the parties concerned, initiate the procedure referred to in Article 2(7) if the Member State which has taken the decision intends to maintain it;

- the measures relating to a safety component are unjustified, it shall immediately so inform the manufacturer or his authorised representative established in the Community and the Member State which took the measures,
- the measures relating to a subsystem are unjustified, it shall immediately so inform the manufacturer or his authorised representative established in the Community or, in their absence, any natural or legal person having placed the subsystem in question on the market, and the Member State which took the measures.

3. Where a safety component bearing the CE conformity marking is found not to comply, the competent Member State shall take appropriate action against whomsoever affixed that marking and drew up the EC declaration of conformity and shall so inform the Commission and the other Member States.

4. Where a subsystem with an EC declaration of conformity is found not to comply, the competent Member State shall take appropriate action against whomsoever drew up the EC declaration of conformity and shall so inform the Commission and the other Member States.

5. The Commission shall ensure that the Member States are kept informed of the outcome of the procedure.

(Articles 8 and 12 are deleted — see Amendments 7 and 8)

(Amendment 12)

Article 22(4)

4. The Commission shall report to the European Parliament and the Council on the implementation of this Directive, and in particular Article 18 thereof, not later than ... and, if necessary, submit any proposal for appropriate amendments.

4. The Commission shall report to the European Parliament and the Council on the implementation of this Directive, and in particular on **Articles 1(6) and 18** thereof, not later than ... and, if necessary, submit any proposal for appropriate amendments.

14. ECB annual report

A5-0035/1999

European Parliament resolution on the annual report for 1998 of the European Central Bank (C4-0211/1999)

The European Parliament,

- having regard to the annual report for 1998 of the European Central Bank (C4-0211/1999),
- having regard to Article 113 of the Treaty establishing the European Union,
- having regard to Article 15 of the Statute of the European System of Central Banks and of the European Central Bank,

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- having regard to Rule 40 of its Rules of Procedure,
 - having regard to its resolution of 2 April 1998 ⁽¹⁾ on democratic accountability in the third stage of EMU,
 - having regard to its resolution of 3 December 1998 ⁽²⁾ on a proposal from the Commission for a Council Decision on the representation and position taking of the Community at international level in the context of economic and monetary union,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A5-0035/1999),
- A. whereas the transition to Stage Three of monetary union has been a success,
- B. whereas, in view of its independence, the ECB must be fully accountable for its actions; whereas it is of the first importance to the ECB that it should be credible in the eyes of financial markets and of other economic and social sectors, and whereas a high degree of transparency of decision-making on monetary policy is the best way of bolstering this credibility,
- C. whereas the ECB has defined price stability as a rise in the harmonised consumer price index for the euro area of less than 2% in relation to the previous year, over the medium term,
- D. whereas the ECB's monetary strategy is based on two pillars: firstly, a reference value for the growth of a broad monetary aggregate, and secondly, a comprehensive assessment of future price trends and the risks for price stability in the euro area,
- E. whereas since 1 January 1999 the ERM II has been in force and Denmark and Greece have joined this system,
- F. whereas pursuant to Article 105 of the EC Treaty, the objective of the ESCB is to maintain price stability and, provided that this is attained, to support general economic policies in the Community,
- G. whereas the European Parliament, through its Economic and Monetary Affairs committee, offers a regular forum through which members of the finance committees of the national parliaments can raise matters of monetary concern;
1. Congratulates the ECB on the successful establishment of the ECB in Frankfurt, the careful preparatory work for the unprecedented project of European monetary union and the successful transition to the third stage of EMU;
 2. Stresses the high quality of the first annual report of the ECB and of the monthly reports submitted since 1 January 1999;
 3. Supports the development of the ECB into a monetary authority of European dimensions with similar international standing to that of the United States Federal Reserve Board;
 4. Welcomes the fact that the ECB has acknowledged its duty of democratic accountability towards the European Parliament and also intends to step up cooperation with Parliament in the years to come;
 5. Regards as progress, in the ECB's information policy, that press conferences are regularly held after meetings of the ECB Governing Council at which arguments in favour of the monetary decisions taken are published and that, in addition to the annual report and the President's quarterly testimony to Parliament, monthly reports are being published;
 6. Calls on the President of the ECB to make himself available, as a matter of urgency, for a hearing, at the invitation of the Economic and Monetary Affairs Committee, following each significant monetary action;

⁽¹⁾ OJ C 138, 4.5.1998, p. 177.

⁽²⁾ OJ C 398, 21.12.1998, p. 61.

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7. Regrets that the ECB has fallen short of the transparency practised by other leading central banks; notes that the US Federal Reserve Board, Bank of Japan, Bank of England and Swedish Riksbank now report both sides of arguments about monetary actions; and calls for summary minutes taken at meetings of the ECB Governing Council to be published shortly after the following meeting reporting explicitly the arguments for and against the decisions taken, as well as the reasoning used in reaching these decisions;
8. Calls on the ECB to publish macro-economic forecasts on a six-monthly basis which set out the prospects, and the risks attached to those prospects, for: domestic demand and its principal components, net exports, nominal and real gross domestic product, consumer price inflation, unemployment and the current account balance, together with such relevant data and research on which such forecasts are based, in order to permit a reliable assessment of monetary decisions, avoid market misinformation, ensure market transparency and hence counter speculation;
9. Calls on the ECB to publish a regular overall report of economic developments in each of the participating euro-area countries together with a summary of the national data which will facilitate comparisons of best practice, enable early warnings of potential problems within the euro-area which might require policy action by respective governments, and inform national wage bargainers of sustainable earnings developments given their own productivity, price and competitiveness trends;
10. Calls on the ECB to make greater efforts to explain its view of the principal relationships within the euro-area economy, and with this objective in mind to make publicly available on an annual basis such econometric models of the euro-area economy and the global economy as it maintains to enable external users to conduct simulations and understand the ECB's thinking and research agenda more profoundly;
11. Recognises the considerable degree of uncertainty attached to forecasting in circumstances where euro-area data has only recently been collected, and where the creation of the euro entails important changes in the structure and behaviour of the financial system in the euro area, and urges the ECB to make clear the difficulties involved in its tasks at this stage of its development as a way of buttressing its credibility and enhancing respect for its ability to operate under unusual uncertainty; in this context, urges the ECB to explain the weight and importance of indicators other than its two pillars of monetary reference values and inflation forecasts;
12. Regards the reduction of 50 basis points in interest rates on 8 April 1999 as appropriate, and welcomes in particular the reasons given for it, which recognise that the ESCB is required, pursuant to Article 105 of the EC Treaty, to support the general economic policies in the Community without prejudice to the objective of price stability;
13. Considers it necessary, in the interest of transparency and credibility, for the ESCB to make clear how monetary policy is intended, as long as the objective of price stability is maintained, to contribute to a balanced and appropriate policy mix, with a view to promoting sustainable growth and employment;
14. Welcomes the initiatives announced by the ECB on 13 September 1999 with the aim of contributing to a better system of cross-border transfers within the euro area, and calls on the ECB to promote the construction of European payments systems featuring competition between different systems and the development of a separate system for the transfer of small amounts; further calls on the ECB to publish regular progress reports in the interest of checking actual progress in rendering such transfers cheaper, quicker and more secure;
15. Notes that the ESCB's arrangements for the emergency provision of liquidity to financial institutions in distress have been called into question by the International Monetary Fund and by private sector observers, and urges the ESCB to make clear that the necessary procedures for approval and disbursement of such 'lender of last resort' facilities are in place and have been rehearsed; and in this context, calls on the ECB to report, more fully than it has hitherto done in its annual report, on co-operation with the national central banks;
16. Urges the ECB to make clear to member governments the importance which it attaches to its obligations not to provide monetary financing of public institutions (including national treasuries) directly

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through the extension of overdraft facilities or the purchase in the primary market of securities, and to make it clear that the 'no bail-out' principle also applies to the acquisition of State funds on the secondary market, and in this context to highlight the potential dangers, either to the creditworthiness of Member States or to the credibility of the ECB, of excessive reliance by some governments on short-term funding at maturities of less than one year;

17. Considers it necessary and appropriate that the ECB be represented at international level, for example in the Bank for International Settlements, the International Monetary Fund and the G7, but calls for the Commission to be appropriately involved in decisions and at institutional level in the International Monetary Fund in particular; calls on the ECB to recognise fully its role in international cooperation;

18. Regrets that some members of the Council have been reported as suggesting a limit on the ECB's discretion to pursue price stability by raising the possibility of either 'general orientations' for exchange rate policy or even adherence to a formal exchange rate system; points out that the justification for any such guidelines is diminished by the small part of the euro-area's gdp which is now exposed to exchange rate fluctuations; and notes that any such Council decision could only be on the basis of a recommendation from either the ECB itself or the Commission and that it would require unanimity; in this context, hopes that Council members will be more circumspect in their future comments;

19. Instructs its President to forward this resolution to the European Central Bank, the Commission and the Council.

15. Outcome of the European Council on 15/16 October in Tampere

B5-0187, 0188, 0190 and 0193/1999

European Parliament resolution on the European Council meeting in Tampere

The European Parliament,

- having regard to the provisions of the Treaty of Amsterdam, and to the detailed Vienna Action Plan for the creation of an area of freedom, security and justice,
- having regard also to the provisions of the Treaty of Amsterdam on the responsibilities of the EU institutions concerning the safeguarding of fundamental rights and combating all forms of discrimination, racism and xenophobia,
- having regard to its previous resolutions on this subject and particularly the preparatory resolution to the Tampere summit, adopted on 16 September 1999 ⁽¹⁾, to the position of the Commission contained in President Prodi's letter of 23 September 1999 to the Prime Minister of Finland and to the speech delivered to the European Council by the President of the European Parliament,
- having regard to the conclusions of the European Council special meeting on 15/16 October 1999 in Tampere on the creation of an area of freedom, security and justice in the European Union,

Constitutional and democratic features

1. Notes the significance of the Heads of State and Government holding their first special summit devoted to the important issues which are at the core of a Union 'founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law';
2. Regrets that, despite the European Council's assertion that democratic institutions are a foundation stone of European integration, the Presidency Conclusions contain no reference to the content of the President of Parliament's address nor to the specific recommendations addressed by Parliament to the European Council; stresses in particular the need for an increase in democratic control;

⁽¹⁾ Minutes of that sitting, Part II, Item 10(b).