

EUROPEAN PARLIAMENT

Working Documents

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MOTION FOR A RESOLUTION

tabled by Mr von WOGAU, Mr F. HERMAN

and Mr HOPPER

pursuant to Rule 25 of the Rules of Procedure

on the Development of a united European
market for capital

PE 72.629

The European Parliament,

- having regard to Article 3(c) of the EEC Treaty, under which Member States are committed to the abolition, as between Member States, of obstacles to freedom of movement for persons, services and capital,
 - having regard to Article 67 of the EEC Treaty, which requires Member States, to the extent necessary to ensure the proper functioning of the Common Market, progressively to abolish between themselves all restrictions on the movement of capital belonging to persons resident in Member States and any discrimination based on the nationality or on the place of residence of the parties or on the place where such capital is invested,
 - having regard to Article 105 of the EEC Treaty establishing a Monetary Committee in order to promote coordination of the policies of Member States in the monetary field to the full extent needed for the functioning of the Common Market,
1. Insists that the intended benefits of membership of the Common Market, which include the creation of a freely functioning market for capital, cannot be achieved while the governments and monetary authorities of Member States persist in retaining controls on capital movements in defiance of the intentions of the Rome Treaty;
 2. Points to the benefits of achieving a free and fully integrated European Community market for capital, which include :
 - (i) the more efficient deployment of the funds and resources available for investment,
 - (ii) the resulting stimulus to the creation of new facilities for the production of goods and the provision of services on the scale and at the level of efficiency made possible by the establishment of the European Community,
 - (iii) The consolidation of the markets for national paper currencies with corresponding gains in stability for the European Monetary System,
 - (iv) the opening up of opportunities for the development of the full range of activities and services ancillary to the Community capital market, including Stock Exchange facilities, commodity markets, insurance, the credit and cash transfer systems, the provision of personal

financial services and the promotion of trade, commerce and research.

3. Notes that very few Member States have so far removed all controls on movements of capital and currencies on a non-discriminatory basis;
4. Believes that the existence of an integrated European Community market for capital will strengthen the Community's bargaining power and influence with world institutions and the Governments of states outside the Community; but places particular emphasis on the realisation of the Community's true economic potential to act fruitfully in relation to world economic trends, and to provide facilities for the recycling of capital accumulations to the most beneficial uses;
5. Believes that the creation of a free European market for capital will require the guidance of the proposed European Monetary Fund as a supervisory authority with effective powers;
6. Calls on the Commission to declare that the development of an unrestricted European market for capital is now a principal policy objective for the Community; and to require all Member States to proceed as rapidly as their different circumstances allow to give effect to their commitments under the Treaty in this respect,
7. Asks the Council to initiate forthwith a programme of measures aimed progressively to dismantle the fiscal obstacles and restrictive regulations which are now serving to isolate the national capital markets; and to make illegal the formal barriers and informal protective devices which are hampering the development of institutions capable of providing the necessary ancillary services to sustain the efficient operation of the capital market throughout the Community;
8. Requests the Committee of Governors of Central Banks of Member States to make active preparations for the establishment of the European Monetary Fund and to formulate specific recommendations as to its constitution and methods of operation;
9. Looks to the appropriate Committee to study the implications of the progressive achievement of a free Community capital market for financial, fiscal and economic policies at national and Community levels; and in particular to consider the likely short term and long term consequence for relationships between the Community and the rest of the world.