

EUROPEAN PARLIAMENT

Working Documents

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ORAL QUESTION (0-30/82)

with debate pursuant to Rule 42 of the Rules of Procedure by Mr DE LA MALENE, Mr ANSQUER, Mr BORD, Mr CRONIN, Mr DAVERN, Mr DELEAU, Mr COUSTE, Mr DENIAU, Mrs EWING, Mr FLANAGAN, Mr ISRAEL, Mr JUNOT, Mr LALOR, Mr MOUCHEL, Mr NYBORG, Mr PAULHAN, Mr REMILLY, Mr VIE, Miss DE VALERA, Mrs WEISS, Mr MEO and Mr GERONIMI on behalf of the Group of European Progressive Democrats to the Commission of the European Communities

Subject: Assessment of the European economic situation

How does the Commission view the harsh criticism of European policy made by the Bundesbank in its recently published annual report?

According to the Federal Bank, not only are there real divergencies in the economic situations of the countries belonging to the EMS but they are pursuing increasingly conflicting policies. In some countries efforts are being made to combat inflation in the long term, to achieve equilibrium in the balance of payments and to consolidate public finances while other countries have embarked upon expansionist policies which depend on a planned economy for their implementation.

Furthermore, while the devaluation of the lira in March 1981 and the adjustment of the EMS parities in October 1981 have apparently corrected the imbalances that have accumulated since the system was set up, they could also be the early signs of a renewed lack of confidence in the weak currencies of the EMS.

In addition, the major devaluation of the Belgian franc in February 1982 would seem to have marked the start of a policy difficult to reconcile with the objectives of the EMS and the interests of Belgium's partners.

The Bundesbank is therefore wondering what will become of the EMS given the apparent lack of internal cohesion among the countries belonging to the system.

What conclusions does the Commission draw from this analysis, particularly with regard to the future of the EMS and the use of excessive budget deficits to finance an expansionist policy?