

## AMENDMENT FORM

### Suggestion for amendment of Article III-66:

By BROK, AZEVEDO, AKCAM, ALMEIDA GARRETT, ALTMAIER, BREJC, DEMETRIOU, FIGEL, FOGLER, FRENDON, KAUPPI, KELAM, LAMASSOURE, LENNMARKER, LIEPINA, MALJ-WEGGEN, PIKS, RACK, SANTER, SZAJER, TEUFEL, VAN DER LINDEN, VILEN, KAUPPI, VAN DIJK, WITTBRODT

on behalf of the EPP Convention Group

Status :

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Suggestion

## CHAPTER II

### ECONOMIC AND MONETARY ~~POLICY~~ UNION

#### SECTION 1 ~~ECONOMIC POLICY~~

#### Article III-66 (ex Article 4)

1. For the purposes set out in Article 3, the activities of the Member States and the Union shall include, as provided in the Constitution, ~~and in accordance with the timetable set out therein~~, the adoption of an economic policy which is based on the close coordination of Member States' economic policies, on the internal market and on the definition of common objectives, and conducted in accordance with the principle of an open market economy with free competition.
  2. Concurrently with the foregoing, and as provided in the Constitution and in accordance with ~~the timetable and~~ the procedures set out therein, these activities shall include, *on the basis of irrevocably fixed exchange-rates*, a single currency, the euro, and the definition and conduct of a single monetary policy and exchange-rate policy, the primary objective of both of which shall be to maintain price stability and, without prejudice to this objective, to support the general economic policies in the Union, in accordance with the principle of an open market economy with free competition.
  3. These activities of the Member States and the Union shall entail compliance with the following guiding principles: stable prices, sound public finances and monetary conditions and a stable balance of payments.
  4. *The move of the Union to economic and monetary Union shall be irreversible, in accordance with the Protocol on the transition to the third stage of economic and monetary union.*
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## **Explanation:**

### ***Title of the Chapter:***

- Throughout the new Constitution, the word “**Economic and Monetary Union**” (EMU) is not mentioned any more. This is not appropriate after 4 years of EMU. It is therefore suggested to change the title of the chapter accordingly, from “Economic and Monetary Policy” to “Economic and Monetary union”.

### ***Integration of Article III-66 in the Section “Economic Policy”:***

- This is not appropriate. Article III-66 is based on the former Article 4, which applies both to economic (para 1 and 3) and monetary policy (para 2 and 3). This is why so far Article 4 is part of the Title “Principles” in the current EC Treaty. It is suggested to reflect the general nature of Article III-66 by starting the Section “Economic Policy” afterwards, i.e. with Article III-67.

### ***Para 1 and 2:***

- ***Deletion of the reference to the time-table for EMU establishment:*** This appears appropriate as all references to the time-table and the three stages of EMU rightly have been deleted from the text of Title III, as the third stage of EMU has started on 1 January 1999.

### ***Para 2:***

- As a result of editorial amendments made to the EMU Chapter which took away the provisions on the transition to EMU, also 3 explicit reference to the irrevocable character of the introduction of the euro has been deleted (see Articles 118(2), 123(4) of the EC Treaty). Together with the new “withdrawal”-clause in Article I-59, this could easily give the impression that under the new Constitution, the fixing of the exchange-rates could be revoked. This could seriously undermined the trust in the single currency. It is therefore suggested to reinsert a reference to the irrevocable fixing of exchange rates in para 2.

### ***New Para 4:***

- For the reasons already mentioned, it is suggested also to reiterate that the move of to EMU as such (i.e. both to economic and monetary Union), as laid down since the Maastricht Treaty, is irreversible. Today, this is stated in the Protocol on the transition to the third stage of EMU, where the “irreversible character of the Community’s move to the third stage of EMU” is declared. As an alternative to the proposed Para 4, it is suggested to attach this Protocol to the Constitution.