

**Speech by Mrs Nicole Fontaine
President of the European Parliament**

**'From the German Mark to the euro'
Berlin, 2 April 2001**

Mr President of the Bundesbank,
Ambassadors,
Madam Chairman of the European Parliament's Committee on Economic and Monetary Affairs,
Mr Chairman of the Bundestag Delegation for the European Union,
Ladies and Gentlemen,
Dear Friends,

I would like to say how pleased I am to be with you today for the launching of the campaign '*Das Euro Zelt*' and for this debate on monetary union. In a few hours I must be in Strasbourg to preside over the opening of our Assembly's part-session, but I wanted to accept the invitation extended to me to take part in this event, a matter of months before euro coins and notes are brought into circulation.

It can never be said enough that Germany has played a historic role in the introduction of the single currency. We will not forget that Germany proposed that the single European currency should replace the Mark, which was then the strongest currency in Europe. We see in this a confirmation of your country's constant commitment to the project of European integration.

Now that we are coming to the final straight, we must obtain the consent of all our fellow citizens, and I mean all. That is why we must say loud and clear that the euro is here already and that it has made a great contribution to the European economy. Allow me briefly to recall the benefits:

- First of all, of course, the euro means an end to the cost of exchanging currency.
- Secondly, it means the end of competitive devaluations. Exchange-rate risks in the 1980s and 1990s entailed costs for European firms and threatened to cause bankruptcies.
- The euro also means that inflation can be brought under control. The macro-economic policy which goes hand in hand with the euro is based on price stability, brought about through the reduction in public deficits.
- The euro also makes it easier to compare prices, thus favouring competition, which can only be beneficial in terms of purchasing power.
- Finally, the euro is an international monetary pole which will enable us to negotiate on an equal footing with other regional groupings.

Going beyond these economic aspects, the euro symbolises the fact that Europe is firmly anchored in the modern world and constitutes a powerful factor in the European identity, since for every citizen it will be a tangible sign of membership of the European Union. This is a gentle revolution. As a student recently said to me: 'When I have euros, I will truly feel European'.

The European Parliament has spared no effort in order to ensure that the euro will be a complete success, and here I would like to stress the eminent role played by my colleague, Christa Randzio-Plath, chairman of the European Parliament's Committee on Economic and Monetary Affairs.

In this way, a fruitful dialogue has been established between the European Parliament and the European Central Bank (ECB), while of course fully respecting the latter's independence.

The President of the ECB comes to present his annual report in our Parliament's Chamber. Four times a year, representatives of the ECB are heard by the Committee on Economic and Monetary Affairs. The European Parliament is the only institutional body in which the ECB is invited to speak in this way.

Moreover, the European Parliament's Committee on Economic and Monetary Affairs has paid very close attention to communication problems.

I know that Mrs Randzio-Plath is very much aware of this issue. That is why we have agreed to work together to carry out actions on the ground to raise awareness among our fellow citizens and educate them about the euro, in however decentralised a way.

In this context, I would like to highlight the positive role played by the campaign '*Das Euro Zelt*', which is starting up today in Berlin, at the Brandenburg Gate, and which will, over the coming months, carry the euro banner into 100 German cities. I support this initiative wholeheartedly, so that the 1 January 2002 deadline, in 273 days, will pass as smoothly as possible.

Last week, I made a short tour of France and Italy visiting vulnerable sections of the public, in particular elderly people and people with impaired sight, and was able to gauge the expectations which our fellow citizens place in information.

I also met a number of very small businesses. Some of them are not yet ready and are awaiting the fateful day without looking ahead, which is worrying.

We need local initiatives to persuade these small businesses to prepare themselves well for the changeover and accounting adjustments, and for the dual circulation phase. Our fellow citizens do not have a negative attitude to the arrival of the single currency. Some are simply insufficiently aware of the need to start preparing now.

The euro must enjoy the trust of our fellow citizens.

I have found that our fellow citizens expect the euro to mean cost-free cross-border payments. You know as well as I do that much remains to be done in this area. At all events, the banking sector, which will in any case profit from the single currency, like all economic agents, should not pass its costs on to consumers.

A further question of trust concerns traders: the question of rounding up or down and psychological prices. I have already had an opportunity to say this and I will repeat it here: we must ensure that, overall, there are no price hikes in January 2002. Prices can be rounded down as well as up.

Thank you for your attention. Allow me to conclude with a simple wish in French: may 'euro' rhyme with 'heureux'!