

Pohl → skeleton at next meeting;

wants' ambition to ensure that he cannot propose things
as a member of the Committee which he cannot have to
reject as President of the BSB
can't if not visit an chapter in law

clear not apply, the general design → central bank, the
pro - consequence

↓
but ^{can be} _{made} ^{concrete} proposals → ERM idea, would
put him in a position to which could not subscribe

if he want to coordinate policy → ex-ante coordination, improve
efficient ERM working → then he need more powers for central banks
as long as no binding decisions no problem; BSB can give
advice

L-P → ERM would require the following steps + agreements

- Pohl → that is acceptable; L-P also appreciates that!

hypothetical + descriptive approach

Thyssen → different approaches not so different

last month → should be explicit in the treaty

should also prescribe at first steps the Pohl idea, for
Thyssen, the C of Gov. to make recommendations

if "binding" then we need inst. changes; that
could be a next phase; i.e. elements of the institutional
treaty could be applied

de la → the inst. paper should describe the first steps

Doyle: report should make clear the C has progressed so far

our subject matter a qualitatively different matter → cannot pronounce intentions but have to proceed in what you can believe

Boyer: agreement to discuss the ultimate objective, implies amendment of the treaty

the political aspect will be taken from the beginning a first step without legal change if these countries acceptable politically

we should not be hurriedly unimpartialistic → the C is an absolute minimum; perhaps too little

1st step → Mr. Pöhl's proposal + Committee under ^{the} proposal under the aegis of the Committee of Gov.

how can non-ambassadors central banks make recommendations to their governments

means that all central banks should be independent? but that means a change in most countries' systems

Chalithras → Bank of Greece can make recommendations on fiscal policy; central banks may say that there is another solution → fiscal policies create problems for monetary policy.

Pöhl → every Government can give advice to his government; strengthen the C. of Gov.;

European of central bank system is a proposal; should be made to heads of state

- start with strengthening the independence of Gov. in a step in that direction
- ERM is not perhaps necessary for functioning of the (policy of monetary union); operational side can be left to

Central bank wants. ERM not a minimum.
Therefore proposal for reaching structure of Europ. central bank system
and if you want that for reaching objectives in other fields

→ take into account elements of Europ. central bank system

Chair → as far as 1st step is concerned
- those with inst. changes
- " without "

● what is the content of 1st step promising the necessary mechanism being in in the way to ERM; the 1st step should happen off a movement 1st step not only technical changes; what gives impetus

Boyer → some of the institutional powers vested in the Committee of Gov.; probably remain not to independent; decision-making in institution, esp. the area of foreign capital movements after 1990.

Why not begin by strengthening Com. of Gov.

Comptroller → be careful arguing in favour of independence of central bank → this Com. cannot say that this central independence can also argue → within the context of ERM this is needed, the ERM could not function because there will be different members of Finance

The approach to all institutional changes

Pöhl → there is also a legal agreement; EMS based on agreement of central banks + national governments
lets not give the impression that we can change the EMS by institutional

give back Comm. of Gov. the power to introduce?
That would be opposed by the central bank council
The primary decision is meant to be understood as
abolition of 1936 independence.

wants to avoid this; wants to use this Group to help
the Comm. of Gov. to make recommendations

de L → Give a fair deal offer to Linn & Pöhl;
we have to make steps to take decisions together
that should be evolution in France;

Pöhl's concept, without legal change, only to
give recommendations we are not clear enough

Pöhl → why can't we say in 1st stage → Comm. of Gov.
strengthened → give recommendations → would help Pöhl
in central bank council

2nd step → give the Comm.
powers to check → then we reach the point when legal
changes are needed.

Thiers → without legal change no progress; recommendation
is not much; but must say that this does not
result in much;

Chen → is there a majority for decisions 2 candidate steps?
1) - Pöhl
2) - de L

Linn → summing the first - inst - phase of de L → only
recommendation not decision → not important members
policy in the transfer councils
Pöhl's recommendation may be
carry more weight

Delors → 1992 → start with framework of measures;
choice of portfolio
this small + feasible

Chair → many countries will have to face up to change
domestic behaviour

Compromises:

Delors → without change the limit. in any way, the
powers of the Com. of Gov. can be
strengthened by changing the domestic
legal framework

→ some want to go further → along the
Delors proposal?

Pöhl → but who decides on implementation, criteria, objectives
.....?

These questions have to be addressed when to set up
a central bank system → shouldn't meet the prerequisites
common institutions for EMS

more important → common monetary targets

his proposal more ambitious

1st step → strengthen Com. of Gov.
fiscal policy

|| goes further raises the same questions that apply
to the setting up of the complete system

Boyer → 2nd step is to say that Com. of Gov. should
make decisions

but have to report to some political authorities

Chair → Delors put forward a cold water, embargo process that
function is missing; complete to achieve institutions;
Constitution of Gov. in charge; Do we want to create
an embargo?

Ch L → many things in common with Pohl proposal:
cell for monetary analysis ... and
ex. market developments

Principles → looking against points of view, but for
practical purposes → common intention has
monetary implications, when small & irregular?
what is the object value
but rigid, very small so not very visible;
cannot be effective this national change
of intervention instruments
if there is conflict between ERM & national
could be counterproductive
Lipson function limited

Ch L → cannot avoid in strengthening the embryos, but
value of meeting together

Law → for drafting purposes → strengthening of Gov.
+ the next step final
stage.

Chair's work

report should work out the pros & cons (as
the discussed here
Chair is important!

Chair → for ERM take account also of Thygesen paper

Part IV → 1st step → Pohl on the
basis of arrangements between economies

2nd step → Ch L

~~at~~
just descriptions of what would happen; not a
prescription.

Her report should not cause trouble to anyone

Hel → prepared to help to produce evidence to the
Law Commission

Chair → Law Commission session with Thompson