

GA meeting

1402 Feb 89

Chair →

minutes documents

L-P letter → discuss in context of Feb 14  
at the beginning of next meeting  
status, a formal letter appreciable  
to all

warned by style → will be published at time when  
not to Ministers

has to satisfy interests of Gov, Min of Fin  
not too long

should go to the heart of the matter,  
& basic principles

has to satisfy experts & journalists,  
who might say it is superficial,  
perhaps 2-3 technical Ministers

on Part II, page by page, but pick up  
5 parts, place & role of ECU → reference to single currency

- but also how EMU will  
operate, ECU as instrument for  
better coordination?

- criticism perhaps: some say ECU  
has to prove its case then will  
(perhaps EMU) need to prove to

can be this;

- Maastricht → Giscard, Delors, Thymier  
Lam's note

Chair General Lack of identification with power  
given to central banking, etc

- EU → regional imbalances; influence of opinion by  
Delors 1992-1993, Pöhl

also Pöhl produced note on EU

Lam's note → system of constant to be  
achieved; we are serious about  
coordinating budgetary policies

- Institutional structure → not too many details

EU → structure must be clear?

ECU: 1992 Giscard, Thymier, Lam

issue → are we let the ECU live its life and  
then to it only after many years; a  
clear to ECU clear public support

C-P → procedural question → final issues + then Part 12

Chair → parallel

C-P → his Paper on structure;

points to be considered:

- repetitive

- some is too prescriptive "will" + "must"

prescribing what should be descriptive, otherwise:

"would" + "would have to be"

- a number of others we inhaled as attention  
without justification

main changes: - reference to Treaty change → to the end

- solution more balanced way whether single

currency needs to be procedural for a long

time long fixed ex. rates; perhaps better a

gradual change

- notion of soft + hard ERM

period of soft ERM might be

required

problem

- substance of proposal + structural / to hard ERM

- cut down detailed description of inst. action,

less prescriptive

Chair: received the paper this morning, will think about it; one remark referred to Part III

de Lar: small remarks, last minute; not only re-acting but also substance; difficult, both parts up in discussion Part II

L-P: - soft + hard EU if change of rule.  
- also original problems

Chair: all parts will be considered; but will also have to Part I, what ECU add to Anglo Del, ECU will create better coordination, than the Anglo Del alone  
Report must be acceptable to everyone, showing advantages & draw-backs

Chair: inst. part necessary? Para 15 refers to the draft; does it mean that 3x or should be left out? to be discussed further

L-P: question whether it can let out be shortened further; report can focus to principles + annexes;

Pohl: style of report should be practical + political; we should make proposals; there are 2 sets of proposals -> before the treaty + after this will be in Part III!  
catalogue of measures within main book

the Treaty → multilateral change on basis of  
for reaching political decision

an balance satisfied with Part II, but not  
has many technical detail → minimum version in ECU  
for future Europ. central bank, the Council should  
decide that

but we can't say: 1) if you want this, at  
a certain point we have to decide on procedures  
for common decision making in final ... branches;  
for members → ESCB, have to make clear,  
that such a system should be based on basic  
principles as mentioned in draft;

if it's other, we would not have  
difficult in some countries

don't have to say that ESCB should  
be created as soon as possible; but if we  
can't find them at one time we need a  
common policy & we need an initial framework  
for it with certain basic principles.

L-P → para 10 of Part II still needs some polishing

de Lar → agrees with Pöhl; it is pretty clear;

L-P → agrees!

Chair → style: few principles

Alamy → full agreement with Pöhl + de Lar

an ECU → talk to deal with private ECU; agreement with Dandberg

→ an official ECU, brought by another fundamental issue + look at it pragmatically, → how will system operate? with W-Report definition there is perplexity, because conditions would suffer to intense rise;

has been concerned for a long time with free capital movement without a better integrated memb. policy; talking about irrevocable locking without saying what monetary policy should be oriented to. However, the OECU seemed to be an instrument to bring about a unified monetary policy. OECU might be the essential nucleus of ESCB; common policy implemented through OECU than executed through national banks;

this problem set out in 6 pages of 2nd paper

paper should not complicate the report, only an additional definition showing how OECU could be used + how the agreements in law + This paper can be subjected

then → problem, not certain about the steps to which proposal would apply. Among these II, since we have Treaty but no locking. Now, once the parties are locked! Not the same.

Giorgi → conditions that obtain at the moment of locking

the law → agrees with basic idea, but will have to be situated in Part III; cannot move to locking of law is no ~~not~~ operational framework, which has to be defined;

now → global objective of monetary policy for all countries → inflation rate, growth target, ex. r. target

must ensure that there are no distortions, need mechanisms already in stage II, must be able to control liquidity in countries

// report need a few para; Giorgi's idea must be reflected; the framework must be indicated, even if instruments differ

Thy → in note 1/81,

1) on parallel currency → conceptually rejected, although language has categorical

2) independence → important, happens with para C of II

3) need to give encouragement → we say little more, should be in Part III

use of OECU, subscribe to Group's x do not want  
how to describe clearly the mechanism how to  
exercise aggregate monitoring control;



do not they make →

2 elements added:

the new role of ECU,  
different market rules

how to operate it with  
adjustable etc. "

then problem could be resolved,  
it is essential to describe the system

could also describe use of OECU in the future

also how description of various requirements can be linked  
to monitoring control → perhaps indicated in Part II

in final stage not so essential when Member credit expansion  
take place

They return only symbolic, but important to think in these terms

Boyer: keep good principles for technical details  
in Annex

- how to implement monitoring control also not have to be  
included in main report

- discuss principles + how to transfer principles

Group's proposal is not the only one; may be  
quantitative controls on credit expansion, also mechanisms

in 3rd committee; most important are matters  
which have to be resolved on the system



if we leave it to the Annex, write down para  
relating with ECU;

many ECU note cannot show day means

Hoffmeyer → Giscard's proposal a very simple system,  
which controls monetary policy this way; it  
is an extreme case, probably not chosen by  
Council

→ on ECU, OECU + PECU should  
be merged, but this would allow central  
banks to acquire base money

Pöhl → agrees with Giscard's intention; instruments are  
needed to control money supply... but this  
scheme is probably not the most elegant way;  
there may be other ways → though it's better to  
legislate in other form

what ECU we are talking about. → a basket  
or something called ECU but would be different;  
if basket ex. r. preferable to create a new currency  
unit generally

leave all this out → put it in an Annex,  
saying there are many models;

first step, agree on principles of ESCB,  
technicalities to be left to a later stage

Com → agrees with other

need to formulate in II the process  
decides price, ex. rates & one monetary policy

↓  
principles laid down clearly, that program is  
needed;

↓  
then a Annex: various possibilities that could  
be chosen by a new institution;

several possibilities exist;

~~market~~ market that institutions would be  
clear

Giscard's proposal could be there  
also Com proposal technical for Annex

Pohl → Annex must say there are many models  
free;

Com → on PECO, in the preparatory stage, say clearly  
that for markets to operate as freely as possible,  
all restrictions be lifted

↓  
but don't force the hand of public  
institutions to transfer in ECU

to prepare  
the second  
and allow  
market  
participants  
to operate  
freely

Gianni: agrees, but clarification needed on his approach, which was not to get approval but only a characterization of how to achieve stability before there is a single currency; national currencies based on hypothetical monetary policy

Chair - lets agree: on Prasad we should:

- existence of parallel c. within central bank variables (Munich last time because not clear whether basket or fair game is (a Pohl)
- one day ECU will be only currency
- all obstacles to voluntary are should be removed, a currency may emerge

in Prasad

- minimum degree of possibilities for common policies

in what way can phase II prepare III?

It has to find arguments to reject notion that promotion of ECU will help, etc

Gianni → ???

in the Report that ECU should become  
single currency also add that O ECU should  
could play a role as reserve?

Pohl → his objective is in context of report

not then say the Com should endorse the  
ECU as single currency,

what ECU, nothing has been said;

only rhetoric!

whether reasonable? may be the future  
currency has name ECU; harmonization of basket  
ratio & single currency not done

Thur → ~~then~~ take out reference

~~the~~ may say that it is better than move to  
a single currency

Boyer → agrees with Pohl, but if we don't say anything  
about the possible future development of ECU  
cannot weaken the ECU  
at least a rhetorical statement;  
then refer to ECU in article 109

Chair → but last time everybody agreed to ECU as  
single currency

Cholizias → Pohl is asking what kind of currency; with  
fixed exchange basket conversion, all  
identical; then refer to use the ECU

Godwin understands Pohl, but last time benevolence  
of EMU as future currency

Also he cannot be silent, have to say something

Jaume → 2 things should be made clear

- EMU can serve as a model when a  
single currency is introduced

- at that transition we have to make  
sure that the transition between EMU and  
national currencies goes smoothly

L-P in para 6 → only at a later stage, is this  
wise to put so much emphasis on a long period;  
locking may not hold if we have national currencies;  
once locked, may have to introduce single currency  
soon;

once we have locked, we must be able to introduce single currency

They are responsible → no objective limits...  
essential point for markets

in L-P → with fixed ex. r. it is true that countries  
should be able to introduce single currency

Prinzbach → responsible for psych. + political reasons; still  
in favour, plus using the whole substance

Pasle → important point is not whether basket or something else ECU, but ECU requires a single currency

↓

but great danger when moving to fixed, because not a better situation but a worse one if one does not indicate the move to a single currency

Hoffmeyer → Committee opinion on ECU →

it would be unwise if we move to single currency to use the ECU

Boyer → the ECU will be the base of a future currency

Pöhl → mention ECU in Chapter III; advice to remove attachments

in III something an official ECU? Doubtful? like a monetary policy instruments difficult to see

but perhaps can be examined

further

in II → future currency will not be a basket currency; has doubt, ECU will take attachments; plays no role in Germany; perhaps borrowing would be helpful;

they dislike, but say we aim for a single  
currency and in this process the ECU could  
be helpful

De Larosière → the future currency will have little  
resemblance with ECU (basket), but  
when common policy & ex. r. locked the  
question of ECU definition as a basket will  
not be of relevance

we should not say that  
the future currency would be the ECU

the ECU will eventually be the basis for the  
high currency

Pöhl the ECU could be developed into the future  
currency

Chair: - James point important → linking the ECU  
will be agreed on ECU ... "no discontinuity ..."

- if there is no political impetus behind ECU,  
it would be reluctant to disappear

- even if we say ECU will be currency,  
no basket but the "general"

then → have to say in the Schmidt / Ansard  
→ have to find words, allow in the  
lines, have to find a further  
picking up the 3 elements above

Chair: Part II

Del:

para 1. → This implies total freedom of  
relation to future of monetary process... ✓  
inevitably <sup>require a</sup> fixed ex. rates as a single currency, this is  
the would <sup>monetary</sup> common policy and a high degree of independence  
or <sup>of ec</sup> most consistent policies.

↓

Point → not balanced ↑ strengthen last part of text ✓

"imposed by ec. policy..."

Keep! as policy objectives → should be maintained

Hoffmeyer: para 3 → why relationship to other kinds  
of policy but not to monetary policy

Area: day-to-day work,

Impact of monetary policy → imbalance  
between monetary policy + other policies

Prinzbach: agrees → strong emphasis on central bank  
monetary policy + weak budgetary + financial  
also in para 13



para 3 → there can ... see text

fiscal binding + enforceable rules

ec +

Barro agrees; → budgetary effect of budgetary policies;  
have to be clear about the extent to  
which sovereignty has to be ~~strongly~~ strongly strongly  
also p 18 → urban parliament

in introduction → recall that it is  
prevalent in most countries that EC  
come before political union;  
and EU set up in the wake of  
political union was to improve circumstances of payments;  
not market based  
(will get text)

Hedriksen parallel approach of ec. + no. union matters;

have to discuss this; subsidiarity must apply in principle  
to both;

ec aspects are behind!

Toll agrees with Barro, para; Pub is unbalanced;  
EU too weak, from correlation between

and para 3 → last 2 sentences: ...  
needs new text!

Why → there is agreement, well reflected in Part II;  
shouldn't say too much about fiscal

like law formulation

Germany was an example → full union before  
political unification

↓  
3 years  
labor fixed  
to work

Boyer → Keynesian to push parallelism too far; principle  
of subsidiarity

↓  
EU = common policy = considerable transfer  
of authority

fiscal policy = limits to deficits & form  
of financing

if we go too far → no freedom for national ec. policy left; but

there is possibility for national differences in taxation & spending

thus → introduction: but no more;

experience with past (10 years) can be interpreted in 2 ways:

if we say that EMU without political union, we would  
say something extraordinary

↓ say only that lack of example is  
reason for renouveau

2 reasons:  
(Levy → imbalance from him; 1) not necessary to push parallelism  
2) would be just last  
funeral of EMU;

but prepared to strengthen budgetary section, but not on introduction where it would be <sup>political</sup> less likely to pass;

Chair → MME has definition, thus implies a number of things; common monetary policy is implied

ECU has no currency against definition;

on substance → common monetary policy implied in EMU +

we need commonly decided ec. policy if desirable to avoid malfunctioning

we need <sup>policy</sup> (some to common to common policy)

agrees with Dreyer → (Common fiscal (there)

- avoidance of major differences

of <sup>public sector</sup> ~~downward~~ requirements of member states

common policies as <sup>requirements</sup> a financing of deficits

not monetary

common policy as <sup>not</sup> ~~strong~~ financial

but is essential, whether beyond that?

Chair → agrees with Chair, discussion about Pöhl text of uniform taxation

Rubio → disagreement between mon. + ec. policies; common monetary policy in respect of price = ok but budgetary policy on spending + income distribution highly political measures, unlike political union.

Chair → recalls; <sup>complexity</sup> different taxation probably not possible

Chair → ok make the union part  
+ better balance in introduction

Doyle → cannot say there is no model, but  
then recall the fallacies

but what imbalance between approach  
in monetary & non-monetary policies

↓  
for technical reasons clear in monetary policy  
but don't give the impression that coordination  
of ec. pol. is less important

fiscal policies can have regional effects → therefore

Doyle → rebalance the balance in introduction  
in 3 take out "Europe"  
+ try to achieve high degree of consistency

Chair → fiscal & budgetary the same in English  
use one

Chair → on M4 → make an annex → ECU as  
a common currency make Annex  
p 4 last sentence

Reynolds p 5 middle para too disruptive

Bans p 6 → first full para

↓

... not ex. r. can no longer be used at ...

but main point → abolish has impact on indicators

ex. r. pressure } indicators  
Gupp

we focus on direction of ex. r. fixing

suggested text!

p 4 head para → <sup>difficult</sup> plan will this year, so

p 5 <sup>para 4</sup> chimney to back → severely exaggerated

Can → but this is important, although difficult to prove;

Can

Hoffmeyer p 5 + 6, check

on p 6 → if no key indicators → unemployment is an indicator

optimum chosen area difficult to live with;

Can opt for fixity from growth advantages then drawbacks;

Thy: on lines 5+6; blanks are not clear, to some extent on p 5; have better i-value or some carbon's than warranted; a positive value of not using the ex. r.

much; has text for para 5 on p 6

L-P top p 4

Boyer all advantages we filled in → in Part I?  
the refer back;  
reduction in transaction cost = advantage  
but also disadvantages of trade barriers

Chair → at the end of Part I, comparison of  
advantages & cost of ERM

take it out of Part II

Melior → para 5 ↔ contradiction to para 1

\*

↓  
have 3 conditions → too broad; they are  
necessary, but not sufficient

brother of p 3 → why bother to have a single  
currency; somewhere explained!  
weight of single currency cannot  
on foreign market

p 3 which in principle not necessary

on p 5 [ ] delete

p 6 → 2/3 shown → such a

p 7

Doyle p 6 ; just further → dialogue with Jaans

accepts that it is of diminishing importance,  
but commitment applies to only 4 members  
and not 12

not correct to look at ex. v. as an emergency  
issue; great concern to have this instrument  
importance of this sense of comfort differs from  
country to country, depends on trade / GDP

1 / the most serious problem → the greatest  
difference between the present situation and  
EMU; must distinguish features

Doyle p 3 ✓ in principle (agreement) of  
Committee with fixed partner  
a single currency which is the

p 6 benefits + cost at the end of pro-  
cess is fundamental  
as the C MacLagan makes EMU

\* Doyle → regional policies in context of structural

Chair → document on cost + benefits of EMU  
within 2 weeks, before next meeting

p 7-9? remarks; then para 14

Hoffmeyer → parallelism

have 5 models discussing ECU

construction of budget

order regarding adjustment

harmonization of cost policy

" of base rate

" of social contributions + unemployment payments

Rohrer → very difficult → harmonization of labor cost

Hoffmeyer → cost policy, not cost

de Larosière → but cost can be different

Boyer → difficult to go further than definition of ECU  
on p 7

- liberalization of markets

- minimization of intervention

- principle of subsidiarity

- public goods

perfect definition!

EU more difficult to define than EMU, because means  
to be neutral as possible; but permanent intervention  
is never neutral

p 9 para 13 too broad... not acceptable!

if no taxation discrimination, price up should be possible

disregarding... must

Chair → 2 (see this up)



Cooldan, para 10, p 7

As regards ... para → present difficulty,  
common hierarchy and the point difference

Law first criteria on p 7, para 10  
consequences for policies to sustain ~~policy~~  
EMU? What is the practical significance,  
what policies would it lead to?

↓  
for products  
EU objectives;

Agreement e.g. tax area → not fully harmonised for EU  
purpose; but <sup>first</sup> criteria means that there is  
a balanced tax system for the C as a whole

Chair: it is ambiguous

Cooldan: Andriessen: in para 13 perhaps too specific  
reference on wages → financial reservation → right place?  
in favour of raising less

Doyle p 7 last sentence of first para of 10  
first criteria what does it mean!

Chair: \* either EU in line of rules  
or else

- functions regulated at C level → competition  
policy, taxation & reserves
- out of competition which prevent any carbon  
tax subsidising excessively competition

- environment of free market
- policy coordination on regional policy
- constraints on national budgetary policies

EU law & pillars, allowing countries to live with differences and remain open for introduction of national policies

de Lar → yes

Chirac → 10 lines on competition policy  
 " " environment of single market  
 then binding rules on budgetary policy  
 how region benefit from EMU

Doyle → don't accept that C-budget remains small; conceptually!

examples: - fed. budget anywhere 20-30%  
 - large transfers from centre to regions

$p < p^*$  (at risk of),  $p > p^*$  (at risk), however  
 terms to coordinate this; but risk cannot be  
 maintained

$p < p^*$  tax treatment could produce other has between  
 C centres

Boyer → different rates of corporate tax exist, pushing full harmonization  
 of direct taxes goes too far;

indirect taxation harmonized; but not

Chair → some policies can bring about a union  
but others will be the outcome of the  
market development  
this thinking

Chair → para 11  
rules → no → but constraints  
also structure is not a means

Chair → - costs + benefits of EMU have to be  
checked  
- instruments of EMU have to be kept  
apart  
comparison

Chair, for discussion, budgetary policies  
& common (regional, environmental, technical etc.)

Let's start with budgetary policies

not enough; 74 was found, but also need documents

Chair 15 → full agreement; ~~that~~ price, but  
19 17 in context

12 16

de Lar → agrees

Lam → difficulties with math paras + introduction

Pohl → first para on p 12 --- and other  
--- have to

uncoordinated + divergent budgetary  
policies

text from Pohl

de Lar

Pohl

p 11 differences ... text!

\* Tavares p 13 line 13 see Part II  
↓

Dalgaard introduce on p 13 the word "binding" in the

"binding objectives"

after taking into consideration the ec. context

de Lar: in principle ok with Tavares suggestions,  
but cannot allow to be a country to be less  
than the rest;

Tavares: e.g. when fixing maximum deficits take into  
the conditions of each country

Pöhl → delicate point → in EMU, the weaker the  
cashes the smaller the deficit

Tavares → in favour of strict limits on  
member financing

Chen → 3 main points for Europ. budgeting  
framework will take into account special  
conditions, but extremely difficult

Boyer → but great complexity in the same way? really  
must accept differences

have a set of rules, but fix limits for  
each country

Com → principle easy to see, but enforcing difficult

Char → ~~if~~ binding rules together with  
common attitude towards each country

Pöhl → strict limits on member financing?  
mem. fin. should be limited to  
1-1.5% budgeting financing, some exceptions →  
member financing through transfer of ~~budget~~ profit

Delors → excellent rule, but you must be open  
we also reduce financing

Pöhl → but that is not member financing



process leads to division:  
periphery vs periphery; headquarter + technology at centre

an ex. v. demand, adjustment through factors of production,  
esp. labour;

principles

- to eliminate locational disadvantages
- large labour movement cannot be the adjustment factor
- regional transfers, not only money but critical mass investment
- not has to be argued on basis of regions and not member states
- policies on the basis of programmes, not projects
- regional issues have to involve the private sector (supply side approach; (has market in this direction; compensation policies not viable); but many of cases still needed
- ( policy has to be based on the (owned resources;

regional policy not self-contained; ongoing process; there must be a regional policy dimension to every policy; ERM must be beneficial for everybody.

t-c

Chen

- whether all regions benefit, arose in single market, arose more in context of ERM;
- allowance to be made to special local circumstances
- but the mechanism you lose is ex. rate, and that has not been used much; therefore regional policies more urgent

↳ in 80s → better use of human resources  
→ stronger support for periphery

AP package → doubling of resources

replacement of project approach by programme approach

prospective since Feb 88 changed, then 16000 projects,  
now 60 programmes; tot. not to be classified as a  
region

in 92, if least favoured regions have not benefited.

anything will go to a halt;

if successful, policies have to be strengthened

→ 14th ECU not enough;

question that regions can develop on their own?

- emphasis on self-development, but excuses for Irish
- in light of EMU with more growth, will companies  
not be attracted by lower cost in certain regions

would like a text reflecting common, but also

the other elements, esp. that other countries must be  
aware that there won't be EMU of structural budget  
only 14th

need a chapter, not too affirmative;

regional policies must be tailored to special conditions;  
transfer research & technology to these areas;

\* Tavara → suggestion to replace second text in para 16  
with this + emphasize regional policies



Can → does ECU make the existing treaty  
problems worse?

Weyle → yes! going towards ECU will make  
exacerbate + produce problems which  
will it make impossible for ECU to  
overcome

de Lar → too much in Pöhl's statement, if ECU is a  
catastrophe, ECU is to say → don't join  
if ex. r. goes up, that is the only change?

Andriessen → para 14 last sentence → how can nature of  
conditionality be applied!

Chair → if not clear, to reward

Godeaux →

Chair → Institutional aspects

Mintzberg both p 14  
page 16 - committee Council of the

Chair → difference of view → democratic legitimacy is shared  
by EP + national parliaments; therefore the Council of  
Ministers must appoint the Board; because of language  
that would increase powers of EP, a constitutional  
matter

→ ESCB can write a report; members can read, but not submit it to anybody  
like BSE; prefers this

Pohl → why independence? Because only then permit of necessary policies for objectives; independence only an instrument

but institution cannot act in vacuum  
needs rules like physician (3rd box under Stokes)  
if BSE as example, the Board is appointed by Gov. & obliged to support the policy of the Gov.; that cannot be acceptable to him, but has to be negotiated by governments

but should say that the system can operate efficiently if independence of instructions

EP → 1st model; advantages + disadvantages  
but don't want it to be a creature of the EP

preference for Council of Ministers; limited function → appoint members of Board; not report to the Council; who makes proposal → <sup>European</sup> Council, at least as Chairman if concerned

Merensky → as reporting: only public  
as appointment: in all, the Board makes the proposal to Council of Ministers; could have the same procedures

Group: → agrees with Drumbling;  
apparatus in Italy the same as in Fed;  
proposal by Board, approval by Government +  
finally checked by President of the Republic

p 15

Law p 14

● Drumbling agrees → but looks to have implementation  
of Law but open market operations in Treasury  
bills in each country

Law main market for DM Gov. futures is  
in London

● Codeaux → on shares, at James → then cooptation  
principle → <sup>approved by Council</sup> upon proposal of Com. of Gov.

Group second time on reporting

Doyle on shares; not our business, but not  
debatable

para 17; have to have a new mechanism or  
authority must start at C-level

Chelinas para 17, last part

Board should be appointed by  
European Council, could be proposed  
by Com. of Gov.

on mandate, covers first one; but do  
we need second sentence?

mandate? lack of the system of  
commitment, mandated

Andriessen → end of para 17, more substance

on reporting to Council? Ambiguous

public report → ok

appointments → Europ. Council, policy together  
with Commission (explaining that  
Commission is independent)

Andriessen ~~proposal~~ → appointment is Ministerial, but perhaps  
has detailed for legal and political

on day-to-day operation → depends on evolution  
on mandate; conflict but prefers 1st version

Pohl → mandate → can't say something about  
practicality;  
merge the 2 proposals

that with 2nd line

on stakes

- efficient monetary policy not conceivable without  
~~system of such an independent system~~
- don't say anything about legitimization
- appointment → should we make a proposal?  
say only → this is a crucial question to  
maintain independence  
or appointment should be formalized,  
for a long time; system has a veto-right to  
appointments

think about this

They → structure + organization

- Council representing all central banks;  
rather than; creation of new effort  
to be reflected
- second method must be clear  
that Board members are members of  
the Council

Assembly → an appointment → not be specific  
stress independence, appointment for a long time;  
don't discuss procedure

Chair : have to think about it

Council → Gov + 4 members of Board  
+

Appointed by Europ. Council  
on proposal of  
Central bank Gov.

Chair → how deal with ~~pro~~ objection of Dir. of Fin.?

Chair → EP can make members of the Board

● think about

Wintgen → para 19 → total new draft in the light  
of today's discussion

Boyer → appointment by Europ. Council will not be objected  
by Dir. Fin.,  
but impossible that Committee of Gov. makes  
the proposal  
rather say choice of people with experience...

say something on reporting → EP has the  
possibility to call the Chairman of the Board before it

publication of AR, transmission of AR to EP

Pöhl → appointment → members of central bank Council  
appointed by President, after approval  
by Cabinet, after proposal by Dir. Fin.

but Gov. cannot give instructions on  
policy matters; only 2 week veto right

members of Council must have necessary qualifications  
and Council must be consulted

too weak; should be  
stronger in Europ. Central bank

Delors → merge Boyer + Pohl

Chabrias → mandate of para 20  
cross participation consistent with independence?  
Yes

Delors → say why important to be independent  
↓

- multi-lateral institution, cannot be under  
instruction from national authorities

L-P - security of tenure → irrevocable appointment  
for a certain period, 5-7 years

Chair roles on ec. field?

new inst., binding rules?

Doyle → intended to have a new inst.,  
not as debilitated as ESCB  
but centre of authority at which carries the  
responsibility same weight as the Board of the ESCB

Parliament → binding, enforceable rules à la Com

Com → p 18 treated last para

de Lar → important matter of policy coordination  
take place  
under guiding rules

if this does not work, the Europ. Council  
must decide a procedure

Chenot → new institution, = revolution!



## Part master

Schmidley → mentioning on cat + advantages of ECU

T-6 page on that

that in parallel French + German text

### Part II

ME - ECU imbalance in introduction

- C-budget will grow
- 3 mls access to loan

Wants to

change the character of Council + Commission