Pöhl → skeleton of next meeting;

[illegible]'s ambitions to remember that he cannot propose things as a member of the Committee which he would have to reject as President of the BBk

cause if not result in changes in law

Can not apply to federal design → central bank, the price + consequence

↓

but goes too concrete proposals → ERF idea, would put him in an odd position to which could not subscribe

if we want to coordinate policy → ex-ante coordination, improve efficient ERM working → then we need more powers for central banks

As long as no binding decisions no problem; BBk can join advance

L-P → EMU would argue the following stages + arguments

Pöhl → that is acceptable; LP also appreciates that!

hypothetical + descriptive along that

Thygesen → different approaches not so different

end result → should be explicit in the treaty

Should also prescribe at first steps the Pöhl idea, for strengthening the C of Gov. to make recommendations

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

de L.: the [illegible] paper should describe the first steps

central bank; ERF is not a minimum.
therefore proposed far-reaching structure of Europ. central bank system
and if you want that far-reaching changes in other fields

→ take into account elements of Europ. central bank system

<u>Chair</u> → as far as 1st step is concerned
— those with treaty change
— " without "

● what is the content of 1st steps preceding the necessary treaty change to EMU; necessary meanwhile taking us on the way to EMU;
the 1st step should trigger off a movement
1st step not only institutional changes; what further impulses

<u>Boyer</u> → some of the instruments powers vested in the Committee of Gov., pooling reserves not so important, 'decision'-making on intervention, esp. in view of growing capital movements after 1990.

● Why not begin by strengthening Com. of Gov.

<u>Lamfalussy</u> → be careful arguing in favour of independence of central bank → this Gov cannot say that they want independence
can also argue → within the context of EMU there is needed, the ECB could not function because there will be different Ministers of Finance
the system to all intermediate stages

<u>Pöhl</u> → there is also a legal argument; EMS based on agreement of central banks + not governments
let us not give the impression that we can manage the EMS by intervention

give both Com. of Gov. the power to intervene?
That would be opposed by the central bank council
the Germany because it would be understood as
violation of BBk independence.

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

de L → there a the real difference between him & Pöhl;
we have to describe steps to take decisions together
that should be evolution in France;
Pöhl's concept, without legal change, only to
give recommendations we are not doing enough

Pöhl → why can't we say in 1st. stage → Com. of Gov.
strengthened → give recommendations → would help Pöhl
in central bank council
2nd stage → give the Com.
powers to decide → then we reach the point when legal
changes are needed.

Rubio → without instit. change no purpose; recommendation
is not much; but must say that this does not
result in much;

Chair → is there a majority for describing 2 concrete stages?
1) – Pöhl
2) – de L

Lam. → sure during the semi-instit. phase of de L → only
recommendation not decision → not infringing monetary
policy in the member countries
Pöhl's recommendation may then
carry more weight

Ch L → a/cc → short with amendment of measures;
choice of portfolio
this small + feasible

Chair → many countries will have to face up to change
[illegible] behaviour

compromise??

Ch L → without changes the Leg. in any way, the
powers of the Com. of Gov. can be
strengthened by changes the [illegible]
legal framework

→ some want to go further → along the
Ch L proposal?

Pöhl → but other chapters on intervention, accounts, directions
.... ?
These questions have to be addressed when to set up
a central bank system → don't need the ~~pooling for~~
common interventions for this
more important → common monetary targets

his proposal more ambitious

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

// going further raises the same questions that apply
// to the setting up of the complete system

Boyer → 2nd steps is to say that Com. of Gov. should
make decisions
but have to report to some political authority

Chair → Ch L put too on cold water; embargo proves that
something is moving; complement to achieve interventions;
Committee of Gov. in charge. Do we want to create
an embargo?

Ch L → many things in communication Pohl proposal:
call for monetary analysis ... and
ex. market developments

Driessen → working against pooling of resources, but for practical purposes → common understanding has monetary implications, when small & temporal?
what is the added value
~~but~~ signal, very small so not very visible;
cannot be effective via natural channel
of understanding/communication
if there is conflict between ERF & national
could be counterproductive
signal function limited

Ch L → cannot avoid in [illegible] the ambiguous, the
value of working together

Lam → for drafting purposes → strengthening of Gov.
+ then next step formal
stage.
Mann's work

rapporteurs ~~report~~ should work out the pros & cons of ch L as
~~the~~ discussed here
this is important!

Chair → for Ecm take account also of Thygesen paper

Pool VI → 1st step → Pohl on the
promotion of exchanges, between economies

2nd step → ch L

~~Ot~~

just descriptions of what would happen; not a prescription.

Our report should not cause trouble to anyone

Hel → prepared to help to produce answers to the Lam question

Chair → Have working session with Thygesen