

Chair → Part I, more concise and to the point, less about single market; Report to 30 pages but start with Part III

Pohl → not report of the Committee, does not reflect views of other members; doesn't take into account his views; more heavy than previous draft not acceptable; many substantial points which are not agreed;

key points → never agreed that single currency should be introduced ECU, as could be a basket

Change agenda, go through report, he put forward changes

show him it, no longer distributions are based on single market; show him it

The system of EMS is one-sided, needs how positive, shortcomings not mentioned; says not full participation; as long as this is not achieved will continue to talk about this

unanimous report, only with minor changes

Chair → not his report, e.g. the issue on ECU,
was in agreement at lunch;

de Larosière → discussions were fruitful to discussion; but
ought to go through it

Reynolds → should be on the basis; but cannot be not unless
can establish points changes:

- MU - EU balance, not yet for currency
EU has to be strengthened further

- follow-up to report, further technical work
should be done on capital account, Turkey,
Turkey, labor, after the end of the studies.
The governmental conference on monetary? No;

- clearly define next phase, in a Turkey change;
not when it without Turkey change

- price stability in view of ESCB → has to be
strengthened

- check Part I

has annual work; in 1-2 weeks,
to the government?

Gianni → proposal draft too long; summarize it;
also in other things, discuss points of
balance
can start with I, but II last time
for II, within annual reports

Hoffmeyer → then we review statements in the Report,
have → see letter of 7 June,
- Report should, with things we are not asked
to do; too many benefits

- precaution → full ECU membership
for showing the political will to embark

- balance MEX + ECU; improvement not
sufficient

- tendency to be little amount of transfer of
power to Community → C-P stuff should
be clear.

C-P → on procedure; prepared for Part II; will
find in written statement on II;

Pöhl → lets not give impression that we agreed on Part II;
lets not urge the Heads of State to implement
ESCB; as objective think, if you want it,
then you a Treaty; ESCB is premature!
at last ECU not complete, but long as not enough confidence

strong reservations about ECU power;

substance on ECU (announcement); doesn't accept it
since it is basket; ^{perhaps} named ECU, but the grounds
and name from previous

not agreed on ECU as an instrument, doesn't accept
that → the Annex or Thyssean proposal,
technical proposals in the future
unverifiable;

● not prepared to support use of ECU as source of
public borrowing; would make no sense for single
country like Germany → leaves it out

no objection → to remove barriers for use of ECU,
and the Germany → cannot not be legal tender

Collette → agrees with Giscard on procedure; Part I too
long; (i) reflect some of the views; (ii) proceed

or suggested;

within amendments, have to be aware that

Giscard → supports his procedural proposal

Comptoul:- there are differences of views, should not
paper over; don't blame Resolutions

Boyer: draft agreed enables objections to surface;

from we want unanimous report, Giscard tackle
fundamental matters; how to structure, ECU the unit,
then in line

but also fundamental points in all 3 Parts;

perhaps # of para, were disagreement changed

part as ECU
IMU

ESCB to be recommended to not,
say that Committee is authoritative
or only coming out logical then use

if you want ECU, you have to do
that?

Other Reg. problems, which go too far,
serious objections have not been made

perhaps better fundamental questions first

Authorities → have a mandate, + have to implement it

progress contracts.

Recommendations not excluded by mandate; not
looking at recommendations if taken as interpretation of
mandate

on Report → can be with Part I, process in
which there is only one element ... ?

- Chair →
- Report more concise
 - Part I more sober, less authoritative
 - special issues on III

Draft is a working paper, ~~that~~

lets start with III

if serious differences, will mention them

L-P number 2 problems:

- do we need a Treaty and when
- full participation

pp 50-52, do they reflect fairly the different positions

Wijl - Pombier → Letter of 2nd Feb:

at Dec. meeting agreed on \bar{T} in \bar{I} ;

- Report should state that \bar{T} does pre-empt \bar{T} , but leaving open the heads of state
- Form of treaty → Commission now well placed to do this

both things are a constitutional

+ political issue

we say that formal union will require \bar{T} -change, and probably \bar{II} ;

will not move onto \bar{II} unless there was

a \bar{T} change; since these changes involve legal changes:

1.1. summary of reference;

Report should acceptance, that if the union of \bar{I} & \bar{II} accepted, the answer that before \bar{II} a \bar{T} change

his

and change of \bar{III} ; this exercise after last meeting;

our draft to pre-emptive + repetitive; his draft to show his own mind; to show + more pre-emptive; cannot Commission accept his draft as a working draft?

but recognizes that Amstrong is to supplement his draft,
his draft an illustration of how Part III could be;

in a few places, wants changes of substance!

Chair → our discussion started with 2 scenarios,
some had suggested a more encompassing stage I

de Larosière → worried, be frank, if no recommendations
to make on T negotiations, he, in the
minority, would be compelled to make his
original proposal

↓
a first legal change on currencies,
signalling a first step towards building up Europe
couldn't give that up; would have majorly
& monetary aspects

Pöhl → (even then has been asked to make concrete
steps, on what do we agree:

- first step → all EMS members

create the preconditions
for full participation:

Even not conceivable, if half of
the members do not participate in EMS

- second preconditions → full liberalization,
law proposed has been made
& we close to that

- Germany has to agree on a set of
political principles
pro stability

in 1st stage
has to work
on the technical
stage

given the impression that institutional steps cannot substitute for the political decision

EU deflationary → correct price stability, after March 93

↳ price stability is core

- price stability
- budgetary discipline → without, no conceivable long term stable ex. rates

institutional work about necessary institutional steps:

the time has to be changed → this is essential! not too much detail about Council of Gov. should do

Tyngesen → C-P draft → basis of agreement? Perhaps, but too short, to programme
but 3 basic elements:

- brevity, may be it shouldn't be shorter; but central case central part → an 3 stages
- less prescriptions, a wait + see attitude, possible to ERM cannot be changed at any time, no inherent dynamic mechanism by stabilising the monetary
- T-conditions, in form places in present draft; perhaps too many; formal or core T-conditions, cannot be changed; only 47 makes a like case

how would you formulate 47?

Stage I is not only improvement in the panel structure

disagrees with Pöhl, an insistence of all participants in EMS;

Loss of sovereignty should be mentioned;

EMS cannot be improved;

C-P → draft members 1980 and 81, didn't
we accept the principle that to preserve stable

Hahn → hope that no fundamental contradiction between
the C + C-P; when we look on EMS
we see the whole process, that means
early chosen in T; doesn't mean to improve
structure of EMS

have T-change in I

2 political problems → one or more T-changes;
can indicate that there are 2 possibilities, but
not indicate preference (through enabling clause)
to the left to politicians

→ can we start EMS
outside the Treaty, with not all members in it,
perhaps good experiments, but should just
raise it, chosen to be left with kind of stable



Cam →

L-P report subscription questions;

stage I road by the author shows that the only major subscription recommendation is to change method of work of Com. of Gov to non-binding ex-ante coordination

the focus about fiscal policy, but with independent checks that also not mean much

this is important as a first step, but has to be accepted as credible; there is nothing that would have prevented the Gov. from having it done earlier; for credibility there should be a clear political signal, that process starts; political signal → must obvious: if threat of dollar

to be about you want to go ahead + give response to Gov. to go ahead

may be so ahead + give instructions to the states to negotiate + I

other signals? new structure, keeping up 64 structure; not much credibility as? a practical thing, if able announced to join the ERM

there is an absolute need for political commitment, in the 1st stage.

if stage I should be different...

Boyer → total emphasized preconditions, which go back to L-P preconditions; says that have to happen before institutional change become necessary!

These conditions have to be satisfied

but not certain, that all conditions are acceptable to all countries of those it is not including the same institutional changes, some complex collection decision making, fund transfers

→ without first collection decision-making changes overall ec. policies, the requirements are not acceptable

↓
parallel institution

Andriessen → if we are not able to give a political signal of first change, discrepancy, then, cannot be made a \bar{i} ;

if we say we recommend political signal, we recommend \bar{i} -change

if work should start at a certain moment, we should say when it will be implemented

open, but
~~some~~ one or several \bar{i} changes? in first change the final concept should be part of the first \bar{i} -change

plausible about participation → if all in ERM and of those it is declared positive by member states to go to EMU, can we have also member states inside progress?

~~details about~~

Jones → it is a political question to be decided by
the Government

Mr. [unclear], agrees with Patel, Jones, L-P, [unclear]

on political signal →

specific amendments: added at
the end of report: para 73

Ch. [unclear] have to study it

have to be made necessary, stage I not enough, since it
could have been done in the past;
not acceptable

other sanctions can be, as his proposal
as he felt it of the to [unclear] a I;

this [unclear] with treatment of L-P of public debt; not
done; [unclear] that [unclear] [unclear];

Mr. [unclear] proposal [unclear];

of the soft stage is the only thing, & afterwards on
light of experience; this is not what we are supposed

to do is that an passage to III;

only → it might be envisaged that II with
[unclear]

but only if I [unclear] [unclear]
but willing to have it done;

full participation is as important as price stability?

No; → of course want to go ahead, why should we tell the heads of state to wait for the last EC country to join;

we can describe the problem, but cannot see that it is impossible

can say it is politically difficult, but technically possible; doesn't want to be too loose

● one or two T , perhaps one T but not two for host one like the Androsom

Hoffmeyer: Commitment is shown by consensus, perhaps in EMU

signals → T -change;

can say there are real commitments which we conclude;

● then have the problem of T change to negotiate in T ;

politicians have signal

de Larosière: agrees, that all the pressure in the negotiations on EMU, to join EMU but others have made the commitment; not all the pressure

Hoffmeyer: that commitment e.g. by participation consensus

should say that

Doyle → agrees with the law on commitment;
this has to acknowledge the need of \bar{I} ;

but almost an \bar{I} participation; if one
considers like the 2nd, Greece ... very the time is not
ripe, it doesn't matter;

but if UK, Spain or Italy
is a different matter; in the abstract we cannot
agree on \bar{I} speed, although in practice reasonable

● if commitment accepted → but what then? being ready
to the same showing - time

↓

full ERM participation

Ciampi → \bar{I} , agree that an immediate political
signal has to be given,
because steps of \bar{I} are more
difficult without demonstration of clear
political will;

see Bode / Nyberg opinions → difficulties, because
not clear where progress would take us

the final intention must be clear;

from stability ... we all share

full participation → as contribution one year? No;

why didn't we put that before introduction
of capital movements

an intermediate proposal → on the whole, ok, but maybe that some
of the points might be to postpone for later;
fully recommend make - governmental conference? This might
be unneeded.

⊗ Pohl → agrees on desirability of political signal;
though perhaps not necessary. ↓

perhaps this by
concrete sign; we can only make a
proposal;
not willing to associate himself with proposal,
like ERM, which we not necessary; just
proposal for proposal's sake

only 66 objective reaction, nothing new in changes;
not willing to say that we cooperate more; but who
can give the political signal → the Government; true;
but he will not propose that!

↓
some Gov. (UK, France) not prepared
to negotiate a T; against premature March changes
conditions for reaching framework of arrangements with.

↓
What other signal? if half of EC countries do not
fulfil EMS rules, not much sense in negotiating
T with

↓
willing to consider alternatives

have to say → complete EMS, the major countries
have to fulfil the rules before T;
if they, these countries, have to
give the signal!

form in favour of \bar{T} ; and who favours of \overline{ERT} ,

Rubio \rightarrow surprised with discussion; can't really continue;
no possibility of progress

\downarrow
change the special law. It makes no progress towards
ERM? But made progress towards joining the
EMS; willing to make additional efforts, if
we are really willing to move to ERM;

The negative attitude was against the bill on the
ERM

unanimity? if we want to say that we cannot
make progress on unanimity basis? then no progress
possible.

experience with ERM \rightarrow have seen how French policy has
changed, system useful, if it
allows us to make change,
institutions help government to
change their views; Spain has
shown that it goes in his direction,
but institutions help to make
additional steps.

Boeckx \rightarrow agrees with Jean, (ERM); we need few signals;
cannot reject both alternatives of the law
(ERM or \bar{T})

full participation, no candidate from glass men,

an Monitoring → careful, but in 76, perhaps
rehearsed for multiphase post-approval

... revised Treaty which is necessary

Monitoring → before a Treaty, Lawrence & others & have
to get together first before you negotiate a
T. e.g. ESCB → division of labour between
Board & national central banks

→ what we are talking about → Heads of State
confirmed mandate; EMU is firm;
accepted by all member states;

single irrevocable locking, when time is
ripe.

L-P → if there are political difficulties, this
Committee won't resolve them; Report should
show how to resolve them

should give a political signal? What is it?

Law → credibility & embark, Gov. need a political
signal

Chair → a few releases

- remember we personal responsibilities of governments
- critics were clearly that there will be transfer of sovereignty
- report that objective of EMU 11 price stability
- T; many body agree that it is needed; but when; how do we refer to it

↓
thinking with James → phase I includes an a process, in which a T will be needed

- if heads of state accept Report, additional preparations work will be asked, from John Dill's mobilize experts

- on participation; obligation; of EMU only with ^{full} ERM then a political decision;

Pohl → such suggestion that all create the preconditions for participation in institutions

↓
budget stable price stability be willing

Institutions are there; we don't need any new ones; all member countries participate in that; new institutions do not solve our problems in substance;

Agree to create the environment for stable ex. rates,
liberalization, not a concession, with the T of Rome

de Lar → agrees; but cannot accept full participation
in the budgeting, key for embarking on EMS;
that all feel this way;

in a later stage, we will have inst. change;

AFTERNOON

Chair: Pöhl's notions of substance at the level of
Pub I, the medium price stability,
convergence
↓
that the facts count.

Pöhl: change order of report: - electric adjustments
- then, what short coming,
how can be overcome
without market-flags
room for compromise
↓
intentional that if all EC
have price policy which
prevent them to join EMS
because stable ex. r. are
matter of EMS
- conclusions perhaps to achieve
convergence

then → use existing framework to
improve construction,
- common decision
- cannot create the Gov. to
improve

That's all; if you want to go further, when
Lipson is away → as defined in stage 1

if you accept that → Pöhl's proposal

Chair: Part I achieved
i) what can we do without Treaty
ii) formal change
iii) stages on the way to EMU

Chair → what is left of the changes? ii) is long by

Georgi → after I, some things not achieved
- full participation
- budgetary discipline

but no overlapping with stage I

Pöhl → there is room for further progress within the present
structure; towards EMU;

then → if that is achieved, then we
can consider a next stage with
Treaty

Changes: from long agreement on single
member state,

but I change an agreement, for general
steps

Pohl → no change I, II, III; but say what
we can do within the given framework

once this has been done, we have
a new Treaty + make a general jump

Clare → what was said about matters of
substance, at end of Part I

now para by para in III

Doyle on 8/8

Tamara "

Chelton "

Boyer "

de Lar "

Johann "

L-P "

but part of principle; whether we accept
2 speed Europe; is obvious; cannot have acceptance
here; don't want an acceptance; remains position
known last 2 months; want, but "

Hoffmeyer → like last sentence,
all participate in EMS,

Deunenberg → rejects 2 speed proposal,
but heavy political decision,
can accept 49

Andriessen → there is 2 speeds, and it is accepted
in Single Act
the possibility should be envisaged
with the Treaty

Poll → problem of participation should be given more
emphasis; his suggestion, put this
at the beginning; give it more emphasis;
this is politically most important;

the single most important contribution
is that member states change their policies
in the appropriate way

Thygesen → favour 49, as last sentence; come in the
EMS for some mechanism

Boyer → penultimate + last sentence, gives rise to problem

↓
is a repetition; not only a political matter, a
technical matter → can system work without all nations? Yes!
If all have to participate before advancement
would give them the power to hold up the
process; not logical!

People → when redrafted,
distinction between 2 speed
and 2 camps → permanent division into
camps

Chair → will try to find
a consensus best, but one takes a
technical question → like capital liberalisation

can we live with different speeds but different camps

Chair → this point should be somewhere else,
in the introduction

Chair → in some striking part, affirmation that
everybody participate in it, all
naturally will
but from a technical point, if
there are some large, there can be arrangements
where technical management by those who
participate pending participation of the others

Chair → at the end of Part I

Chair → some countries would not participate in the
preparatory committee? No!

Chair → 50-52 will be redrafted; this morning
discussion;
this morning → James said, we are embarking
on a process that will ultimately imply a
Treaty

de Lee in favour of one Treaty

if more → the first sets out the goal
of the process

Andriessen voted to 52, that Europ. Parliament
should be involved in the decision

Chav → Single Act provides that T-change involves
Europ. Parliament

Pöhl → see text

Boyer → why central banks technical terms
simplified

organic law → 11 + low flowing fee contribution
to implement contribution

L-P → 50-52 location → preamble, should
be placed at end of III before
Preamble, proposal

Pöhl → agrees

Rubio → "

de Lee → yes, except why?

ECU

Gianni on §3

~~★~~ Pohl → wants it be changed completely
proposal → change page 3 → to page 55
but compromise proposal ... needs

no much relevance

change the whole chapter,

Annex → under the name of Thyssen
& all other papers published under
the name of author

in first chapter → expectations raised in Bremen
not fulfilled

Law → since you have one currency you have no basket,
you may call it den or tal;

can be objective to use as parallel
to standardized nature

de la → can change into a premium currency;
we want to avoid keep the den
no only a U/A;

markets would be disturbed if markets
not protected on the shoulder

Jahns → present draft to options
ecu a by-product of the EMS,
has developed in the market
as shown in the Annex
has potential to develop into a
currency and maintain the
face value

Duisenberg → 55 ok
supports plans
when ex. r. are locked, ecu = a currency
redraft para, somewhat less positive;
not become irregular
ecu is popular in NL

Boyer → Pöhl makes it possible how to draft the para;
but not too positive; back on parallel currency;
plays lip service to ecu
rhetoric became rather political
for many ecu is a symbol
let not know and the little we know
future currency is not a basket → as said by Pöhl

Thygesen worried ab; shouldn't go into too much detail
remains that para 56
remain public support for ecu

now in can be with controls the less of
little etc

Wang → known put on p 37

~~is~~ higher text;

Poll gives a negative impression

can should be punished in a more theoretical
manner, but positive

● on 56 → if the way with Hume, but with
collection of papers under name; yes;

than 56 and

but recalls → we not to add value to the, but
to say that coast. of monetary policy can be
be achieved

Poll → Objection on the way; BSB had always strong
reference on growth; can;
some things uncontrollable
is changing & would have
to become level of last year

but not too negative, leave the PCE in private
markets, should not discriminate & also not
oppose the

Had it replaced

55 as it is

56 → see text!

57 → don't encourage!

Gizzi →

Gizzi → read 54 again

Pohl →

Thygesen → text, rather German; prefers less radical
statements;
many will read it carefully;

if Annex, then in name of negotiations

de Lar → difficulty in Pohl suggestion → can, would
have to be properly defined

↓
in reality can still develop the
in practical way into a ^{real} currency; but from the
impression that we something in years mind

also problem with last Pohl 54 sentence; should
be clear it out!

Chair → after report appears, many will look for cues;
psychological matter

Why so much concentration of changes competition?

Plans proposed below text; also EMU will depend on the appropriate means!

* Pöhl → don't make declarations that the EMU should be developed into the future currency, too premature!

What with EMU more realistically in Part I, but developed into the centre of the system

Let not be too euphoric

Willing to have his text adopted,

single currency not necessary but desirable

De Larosière → have struck out parallel EMU, but on basis that be tactful; could agree with the Pöhl text without deformation

eventually the EMU will clearly into

The C II of the system ~~is~~ has the potential to develop into

Doyen → EMU section in Part II; where it is said that the EMU has the potential to

Caru → p 3 tone down

in final stage - common currency not practically important, but 2 problems: - political symbolism - very substantial financial

should be developed; the market should not be
disturbed;

working about the future of the
has to be carefully weighed

Clear mention the new criteria according to
Joans, Pohl

• on 58 - 61 should be;

has to be at the beginning of each
stage

Thygesen → L-P - text; no!

Prumby → on top of p 41 → should be full para

• de Lar → ok with T at the end; but

for logical flow needs something, perhaps
on p 41;

the first soft steps will only give
dynamism, of reference to Treaty

Clear → idea of the T at the beginning

L-P → 62 reference to \bar{T} , after para 66
only

Maats // in the mech. sphere - - - -

de Lee → say somewhere, that logic
of stage is a minimum that
is the work + that time
is my objective as a \bar{T} ; before
the details of \bar{E} stage \bar{I}

Godaux → how to start ~~from~~ a process that
will lead to a \bar{T} (same proposal
of this morning!)

Ches → agrees, somewhere at the beginning of \bar{III} ;

Duisenberg → with same amount 62 superfluous!

Treves → both 42 are budgetary considerations
too tough, tougher than stage \bar{II} ;

Andriessen → on 63, firstly

Pohl on 64

Jens on 64

Structure of GP

de la an GP

Proposals on GP → on the 2 committees,
we have set them up,

de la → we give the more functions

Com → an independence; unit; if there
is a more limited, greater independence,
then recommendations are more credible;
independence gives greater weight;
under the various leading to greater
independence

an committee

The Committee ^{take note} that the Com of Gov would include

approach the Com. of Gov. with an
approach by strong research and voluntary
structure; more than once a month meeting

Chair → on 65 - 66

Thygesen → proposal → tone it down; also on view of stage II

de la → objections in 66, tone too negative; might
spill into stage II; because there will be a
pooling of resources; suggested redraft

James, Tom down

Prinsberg → GG,
wants to delete last 3 lines on
p 46;

de la → but then you need it on 4, or not?

Prinsberg → go to ESCB

Pöhl → not the right place on p 46

Prinsberg →

~~Chair~~ → there are differences of opinion;
only one meeting, at next meeting
to check text, with [];

a few days later

and meet on April 20 to receive the report!
in Brussels!

Pöhl → new text on Part I, with sub-paragraphs of ERM;

send amendments for 3 parts before the end of the
week

an EU →

EU

high level

2 papers on what Pöhl said this morning

EU

high level

high level

what Pöhl wanted → what has not
yet been completed;

major goal price
stability

↓
the in line with
monetary

Monetary proposal at the end

Chair → at least has proposed phase I parts further;
what that not accepted, embark on a
I?

is this basis still agreed?

→ same approach?

is this the position?

Monetary → still in command on I, II also III?

Chair → only additional parts?

new text before end of March

Post Market

Delors will send detailed plan

an idea

11)

long discussions on ~~the~~ how to begin the process; ^{from} for the first phase and there is a technical study to be taken in the meantime so that we can agree that no major measures, but the Economic Council has to be involved in the process by deciding on the T

participation → working → may have, but that is the question of heads of states

technical problems, but not 2 camps

members remember ... member in stage 5;

List of papers → chronological

next steps at the end