

COMMITTEE OF GOVERNORS OF THE CENTRAL BANKS
OF THE MEMBER STATES
OF THE EUROPEAN ECONOMIC COMMUNITY

Confidential

Draft

216th MEETING

BASLE, MONDAY 15th JUNE 1987 AT 10.00 a.m.

Agenda

III. Exchange of views on the oral progress report on the strengthening of the EMS to be presented by the Chairman of the Committee to the ECOFIN Council on 15th June 1987(2).

(2) The Alternates will discuss briefly the contents of this report during their meeting on Sunday afternoon in preparation for the Governors' exchange of views.

Vertraulich
Übersetzung

PROTOKOLL*
DER 216. SITZUNG DES AUSSCHUSSES DER PRÄSIDENTEN
DER ZENTRALBANKEN DER MITGLIEDSTAATEN
DER EUROPÄISCHEN WIRTSCHAFTSGEMEINSCHAFT
BASEL, MONTAG, 15. JUNI 1987, 10 UHR

* Endgültige, mit dem Text des Entwurfs identische Fassung, die in der Sitzung vom 14. Juli 1987 gebilligt wurde.

III. Gedankenaustausch über den mündlichen Zwischenbericht zum Ausbau des EWS, den der Ausschussvorsitzende am 15. Juni 1987 dem Rat der Wirtschafts- und Finanzminister abgeben wird

Der Vorsitzende ruft in Erinnerung, dass er zum Mittagessen der EG-Finanzminister eingeladen ist, das am heutigen Tag in Luxemburg unmittelbar vor der förmlichen Sitzung des Rats der Wirtschafts- und Finanzminister stattfindet und bei dem er einen mündlichen Zwischenbericht über den Stand der Arbeiten der Zentralbankpräsidenten erstatten wird. Herr Tietmeyer wird das gleiche für den Währungsausschuss tun. Die Stellvertreter haben sich gestern mit dem Wortlaut dieses Zwischenberichts befasst.

Herr Dini erklärt, die Stellvertreter hätten nach Vorlage der Berichte der Expertengruppen durch die Herren Dalgaard und Raymond eine ausführliche Diskussion gehabt; sie hätten einen ersten Entwurf des mündlichen Zwischenberichts des Vorsitzenden geprüft und mehrere Änderungen vorgeschlagen, die in den Text, der nun den Zentralbankpräsidenten vorliegt, aufgenommen worden seien.

Herr Dini fügt hinzu, er habe den Stellvertretern ein Schema des endgültigen Berichts übergeben, den die Notenbankpräsidenten den Ministern im September werden vorlegen müssen; die Stellvertreter werden diesen Bericht an ihrer nächsten Sitzung im Juli vorbereiten.

Der Vorsitzende fordert die Notenbankpräsidenten auf, zum Entwurf vom 14. Juni 1987 (s. Anlage) Stellung zu nehmen. Er erinnert daran, dass ihnen die beiden Berichte der Expertengruppen zugeleitet worden sind und dass sie den Inhalt dieser Berichte im Juli untersuchen werden; später werden die Berichte dann nochmals durch die Stellvertreter und ein weiteres Mal durch die Präsidenten besprochen werden. Es sei daher klar, und darüber sei man schon früher übereingekommen, dass der Vorsitzende den Ministern

nur einen sehr vorläufigen Bericht über die Arbeiten des Ausschusses abgeben könne.

Herr Pöhl fragt sich, ob der Entwurf des mündlichen Berichts nicht die Gefahr in sich berge, bei den Ministern zu grosse Hoffnungen oder Erwartungen über Grundsätze, Massnahmen oder Aktionen zu erwecken, über die es nachher nicht zu einer echten und einhelligen Übereinkunft der Notenbankpräsidenten komme. So werde z.B. auf S. 3 des Entwurfs die Verknüpfung zwischen der offiziellen und der privaten ECU erwähnt, während doch die jeweiligen Standpunkte über diese Frage sehr klar seien und sich wahrscheinlich nicht mehr ändern würden, so dass wir im September über das Fehlen einer solchen Verknüpfung berichten werden müssen. Ein anderes Beispiel: Auf S. 1 werde gesagt, dass die Zentralbanken alle verfügbaren geldpolitischen Instrumente einsetzen müssen, um den Zusammenhalt des EWS zu verteidigen. Nun stünden aber alle Teilnehmer am Wechselkursmechanismus auf geldpolitischer Ebene unter innenpolitischen Zwängen und seien wahrscheinlich nicht bereit, die Regulierung ihrer Geldmengenaggregate den Erfordernissen des EWS unterzuordnen, was ohnehin bisher nicht der Fall gewesen sei. Die Formulierung sei ein bisschen gar zu kategorisch, und man könnte sie mildern, wenn man nach EWS einfüge: "ohne die Steuerung der Geldmengenaggregate zu gefährden" ("without endangering the control of monetary aggregates").

Herr de Larosière ist der Ansicht, der erste Satz auf S. 3 oben "On these various proposals there continue to be divergences of view among the Governors and no consensus has yet been reached." sei zu negativ und weise nicht auf die in einigen Punkten erzielten Fortschritte hin. Man könnte beispielsweise sagen: "On some of these proposals progress has been made. On others no consensus has yet been reached."

Herr Pöhl ist gleicher Meinung wie Herr de Larosière und stimmt zu, dass ein etwas positiverer Ton gefunden werden sollte. Er schlägt vor, den neuen Satz weiter unten im Text einzufügen, nach dem folgenden Absatz, so dass er für alle im Bericht erwähnten Vorschläge gilt.

Der Vorsitzende schliesst mit einer Rekapitulierung der Änderungen, die er aufgrund der Anregungen der Zentralbankpräsidenten an seinem mündlichen Bericht vornehmen wird:

- S. 1, vierter Abschnitt: Der 3. Satz "To this end ... of the EMS" wird durch die Worte "without endangering the control of monetary aggregates" ergänzt;

- S. 3: Der erste Satz auf S. 3 oben wird gestrichen; er wird durch zwei neue Sätze ersetzt: "On some of these proposals, progress has been made. On others no consensus has yet been reached." Angesichts des Wortlauts dieser beiden Sätze und ihrer Platzierung im Bericht (eigener, vorletzter Abschnitt) stellt Herr Pöhl den Satz über die Verknüpfung der offiziellen mit der privaten ECU nicht mehr in Frage.

Was den Bericht Nr. 59 der "Dalgaard-Gruppe" und den Sonderbericht der "Raymond-Gruppe" betrifft, hält der Vorsitzende fest, dass die Untersuchung dieser Berichte noch nicht beendet sei und daher die Übermittlung an den Währungsausschuss auf einen späteren Zeitpunkt verschoben werde.

DRAFT

ORAL PROGRESS REPORT
BY THE CHAIRMAN OF THE COMMITTEE OF GOVERNORS
TO THE ECOFIN COUNCIL
ON THE STRENGTHENING OF THE EMS

Since the informal meeting of the ECOFIN Council of 4th April 1987 at Knokke, to which I presented a preliminary report, the Committee of Governors has continued its examination of the functioning of the EMS and of the monetary implications of the full liberalisation of capital movements within the EEC with a view to strengthening the system.

These complex issues require careful and thorough examination and the Governors intend to present a final report on the matters falling within their competence at the next informal meeting of the ECOFIN Council in September that will take account of the two reports mandated to their experts, which have now become available.

In the meantime, I would like to give some indications on the work under way and on some guidelines for strengthening the operating mechanisms of the EMS.

Views on the management of the EMS have converged considerably in recent years. In particular, since the January 1987 realignment, broad agreement is emerging on methods of dealing with currency flows. To this end, central banks will need to use all the monetary instruments available to defend the cohesion of the EMS. In particular, it is recognised that:

- (i) there is scope for prompter and better co-ordinated action in the use of short-term interest rates with the aim of ensuring appropriate differentials;
- (ii) exchange rates should be managed more flexibly within the band to maintain the perception of exchange risk among market participants;
- (iii) there is room for closer co-ordination of intervention policies, particularly vis-à-vis third currencies. Indeed, in recent months there has already been a tendency among the central banks concerned to operate within such a framework.

The Governors are aware that co-ordination of central bank action is all the more important both because international payments imbalances still represent a threat to EMS cohesion and because the mobility of capital has increased considerably in the EEC. The progressive abolition of exchange controls will tend to reinforce the external constraint that the exchange rate mechanism already imposes on interest and exchange rate policies of the participating countries. Beyond ensuring that member countries do not follow conflicting monetary and exchange rate policies, co-ordinated policy action could sometimes involve differentiated operational responses so as to increase the ability of the system to resist disturbances.

The Governors agree that the first step towards implementing such a strategy would be to improve multilateral surveillance, with the aim of receiving early warning of disturbances in the markets. The reinforcement of co-ordination could be sought through a monitoring procedure that would build upon present surveillance and concertation arrangements and would focus more specifically on developments in exchange rates and money market conditions.

The Governors intend to implement such strengthened co-ordination as flexibly as possible. When tensions are clearly temporary, the measures taken should be easy to reverse when they subside. In no case should such measures of a short-term nature involve a sustained departure from a policy course consistent with monetary stability in the medium term.

However, enhanced co-ordination is not sufficient to achieve the main objective of the EMS, i.e. a zone of internal and external stability; better economic convergence, which includes close co-ordination of overall economic policies, becomes even more necessary.

The Governors are also examining proposals to strengthen the EMS through possible amendments to the mechanisms falling under their competence.

A number of proposals have been put forward concerning in particular: (i) the rules of the very short-term financing of interventions; and (ii) the reduction or abolition of the acceptance limit for the official ECU. Within this context consideration is also being given to the extension, subject to certain conditions, of very short-term financing to intramarginal interventions in EMS currencies and to holdings of Community currencies by

member countries. On these various proposals there continue to be divergences of view among the Governors and no consensus has yet been reached.

In addition, the Governors intend to examine proposals to establish a link between the official and the private ECU circuits as part of the broader issue of improving the features of the official ECU and increasing its usability.

As I have already mentioned, the Governors will return to these issues, some of which could raise problems for domestic monetary policy, together with the whole range of questions concerning the strengthening of the EMS and the monetary implications of the liberalisation of capital movements, in the report they plan to present to the Ministers at the next informal ECOFIN meeting in September.

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