











majority the governing bodies of the ESCB should decide when requesting, or expressing an opinion on, amendments of certain Articles of the Statute.

The second basic issue in the context of the simplified amendment procedure was the list of specific Articles to which the procedure would apply. Indeed, several speakers stressed that their view of the procedure would be determined by the extent of this list. The Chairman felt that it would be extremely helpful for the future discussion if the Committee of Governors would express its view on the appropriate procedure and if it established a positive list of Articles subject to simplified amendment.

The discussion on what should go into the Treaty was relatively brief (although some views were repeated in the context of the review of Article 106b, the basic tasks of the ESCB). Some speakers wished to see only the most essential features of the System reflected in the Treaty but others felt that for political reasons and in order to explain Monetary Union to parliaments, it would be necessary to describe in some detail the objectives, tasks, instruments and organisational structure of the ESCB in the Treaty itself.

The discussion of the the fourth major issue - the embodiment of the principle of independence in the Treaty and the Statute - was prompted by Article 106a.2 of the Commission's document and Article 2-3.2 of the French proposal. The proposed text of the Commission is rather close to Article 7 in the draft Statute and differences were said not to reflect substance but only an alignment of the wording with that of Article 157 of the Treaty (ensuring the independence of the Commission). While all representatives strongly endorsed the principle of independence, two main questions were discussed with regard to the precise formulation: firstly, was it necessary and appropriate to make reference to the independence of the institutions as well as the members of their governing bodies, or would personal independence not be sufficient? Secondly, would a formulation saying that "the Community and the Member States shall not seek to influence the ECB..." not impede the necessary inter-institutional dialogue and should it therefore not be omitted? One proposal was to replace this wording by a sentence saying that "the Community and the Member States shall respect the principle of independence". Another proposal was to follow precisely Article 7 of the draft Statute, but to introduce after ... "seek or take any instruction from the Community institution", the words "and other organs" in order to include the European Council, should it be

given a role in the setting of broad policy guidelines. Another idea was to open the Article on independence with a reference to the institutional provisions to be laid down in Article 109 ("without prejudice to Article 109 the Community and the Member States should not seek to influence..."). There was agreement that any reference to national legislation ensuring independence should be dealt with in the transitional provisions.

In the context of Article 106a of the Commission's draft there was also a brief discussion on the need for the proposed third paragraph. There was broad agreement that Article 104, prohibiting the provision of monetary financing to the public sector, was sufficient and that no further reference to this principle was required in Article 106a. However, the discussion also brought up the question of whether national central banks could provide to governments short-term overdraft facilities on commercial terms. Some representatives seemed to consider this not to be part of monetary financing while others strongly rejected this idea. The issue will be taken up again when the personal representatives have a second round of discussion on Article 104.

The fifth major issue - the basic tasks of the ESCB to be included in the Treaty - was examined on the understanding that there would be a separate discussion of the external monetary policy. Nonetheless, one representative indicated that the transfer of reserves to the ECB would raise a number of problems which needed to be thoroughly analysed. As far as the other tasks were concerned, views differed considerably on what should be mentioned in the Treaty. Some representatives who wished to limit the chapter on Monetary Union to its most essential features, favoured the inclusion of what they considered the important tasks and rejected the idea of listing instruments in the Treaty. Other representatives advocated a rather exhaustive catalogue of tasks, drawing together various tasks and functions mentioned in different parts of the draft Statute. It also remained open whether the Treaty (and, presumably, the Statute) should refer to payment systems and banking supervision: one representative pointed to the wide difference in the division of responsibilities between governments and national central banks in these fields and felt that clarification about the future assignment of such tasks was needed. One representative mentioned that the tasks should allow for association with third countries. In the context of these discussions, there was also an exchange of views on the status of the draft Statute prepared by the

Governors. While the Presidency proposed to use it as a basic reference document for the discussion of the relevant Treaty Articles, two representatives expressed their reservations. Although acknowledging that it was a useful document, the Statute should be treated on an equal footing with other documents prepared by the Commission and the Monetary Committee. Other representatives, however, did not share this view and argued that there should be no fundamental debate on the Governors' proposal but that it should be accepted like the Delors Report as a basic reference document. This would not rule out a review of the draft Statute. Indeed, the Chairman announced that such a review would take place in the working party and he invited the Committee of Governors to finalise the draft Statute as quickly as possible.

The next meeting of the personal representatives will take place on 12th March 1991; the main agenda item is the completion of the review of the Monetary Union chapter with particular emphasis on external monetary policy.

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