

Draft Council Decision (30 October 1970)

Caption: On 30 October 1970, in anticipation of the implementation of the Werner Report, the European Commission submits to the Council a draft decision on the strengthening of cooperation between the central banks of the Member States of the European Economic Community (EEC).

Source: Bulletin of the European Communities. November 1970, No 11. Luxembourg: Office for official publications of the European Communities. "Draft Council Decision on strengthening cooperation between the Central Banks of the Member States of the European Economic Community (30 October 1970)", p. 24-25.

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DRAFT COUNCIL DECISION**on strengthening cooperation between the
Central Banks of the Member States of the
European Economic Community**

The Council of the European Communities,

Having regard to the Treaty establishing the European Economic Community, and in particular to Article 105(1) thereof;

Having regard to the final communiqué of the Conference of Heads of State or Government in The Hague on 1 and 2 December 1969, and in particular to point 8 thereof,

Having regard to the Council resolution of ...,

Having regard to the recommendation of the Commission,

Considering that the strengthening of cooperation between the Central Banks is an essential element of the first stage of the plan for the realization of economic and monetary union, so that the action of the Central Banks in the conduct of monetary and credit policy, in so far as this lies within their powers, should conform to convergent guidelines;

Considering that, in order to determine these guidelines, the Governors of the Central Banks must hold regular meetings at which, taking into account the economic policy directives laid down by the Council, they agree jointly on the measures to be adopted by the Central Banks concerning the management of monetary and credit policies, chiefly as regards the level of interest rates, the development of bank liquidity and the granting of credit to the public and private sectors;

Considering that, in order to ensure at all times the coherence of the policies of the Central Banks in the light of these convergent guidelines, it is indispensable that no decision or measure diverging therefrom may be imple-

other Central Banks;

Considering that it is appropriate that these meetings and consultations be held in the Committee of Governors of the Central Banks created by the decision of the Council of 8 May 1964;

has decided as follows:

Article 1

Twice a year, and whenever the situation requires, the Governors of the Central Banks shall determine the guidelines to be followed in the management of monetary and credit policies in the framework of the general directives laid down by the Council as regards economic and monetary policy and within the limits of the powers of the Central Banks.

These guidelines will mainly concern the development of bank liquidity, the conditions of the distribution of credit and the level of interest rates.

Article 2

When a Central Bank feels that it must deviate from the guidelines jointly determined in accordance with Article 1 above, it shall immediately inform the other Central Banks and the Commission; consultation on the matter shall be held as early as possible.

Should measures planned by a Central Bank appear to deviate from the guidelines determined in accordance with Article 1 above, another Central Bank or the Commission may demand consultation.

Article 3

The meetings and consultations provided for in Articles 1 and 2 above shall be held in the Committee of Governors of the Central Banks.

Article 4

This decision is addressed to the Member States.

Done in Brussels, on

By the Council

President