

BANK FOR INTERNATIONAL SETTLEMENTS

CH-4002 Basle, 20th October 1988

Express

Mr. Erik Hoffmeyer  
Governor  
Danmarks Nationalbank  
Havnegade 5  
DK-1093 Copenhagen K

Dear Mr. Governor,

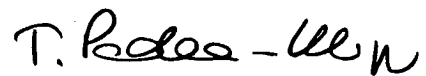
As mentioned in President Delors' letter to you, we have looked at your questionnaire and we submit to you for your consideration a simplified version of it. Should you have any questions or reactions to it please do call either one of us. If the modified questionnaire is acceptable to you, can we assume that you will follow the procedure for its distribution to other Committee members as proposed by President Delors?

With best regards,

Yours sincerely,



Gunter D. Baer



Tommaso Padoa-Schioppa

Enclosure

COUNTRY: \_\_\_\_\_

**Major instruments and policy measures to be applied in connection with the gradual realisation of the Economic and Monetary Union**

Instrument/policy measure	Who makes the decision? <sup>1</sup>	Can under present provisions policies decisions be:			Can the decision-making power be transferred to Community bodies without changes in national legislation?
		communicated prior to implementation?	taken after consultation?	taken after co-ordination?	
<u>Monetary policy</u> - Change in central bank interest rates - Credit policy - Reserve requirements - Open market operations - Financing of government deficits - Government debt management <u>Exchange rate policy</u> - Change in central rates - Change in intervention margins - Change in intervention credit mechanisms - Intervention policy - Management of official reserves <u>Fiscal policy</u> - Direct taxes - Taxation of interest and capital income - Indirect taxes - Budget balance targets <u>Other policy instruments and measures (specify)</u> - - -					

<sup>1</sup> Please specify: Governor, Central Bank Board, Minister, Cabinet, Parliament.

Major Instruments and Policy Measures to be applied  
in connection with the Gradual Realization of the  
Economic and Monetary Union 1)

Instrument/ Policy Measure	Information	Consultation		Coordination	Centrally agreed directives ("administer- ing a mandate")
	prior to imple- mentation	following decision	prior to decision	prior to decision	
<u>Monetary Policy</u> - Change in central bank interest rates - Credit policy - Reserve requirements - Open market operations - Government debt management - Financial government budget	Information after and consultation		Consultation prior to decision	Coordination prior to decision	Centrally agreed directives ("administering a mandate")
<u>Exchange rate policy</u> - Change in central rates - Change in intervention margins - Change in intervention credit mechanisms - Intervention policy - Management of official reserves	Central Bank Gov. Board		Consultation prior to decision	Coordination prior to decision	Parliament
<u>Fiscal Policy</u> - Direct taxes - Taxation of interest and capital income - Indirect taxes - Budget balance targets					
<u>Other policy instruments and measures (specify)</u> - -					

Other matters

Establishment of an advisory "Center for economic and/or monetary decisions"

Establishment of a directive-issuing "Center for economic and/or monetary decisions"

Pooling of central bank reserves

Creation of a parallel currency

A	B	C

1) In respective columns, indicate by

A: if the specific instrument or policy measure could be applied administratively by the central bank, relevant ministry etc.

B: if the application of the specific instrument or policy measure requires governmental approval.

C: if the application of the specific instrument or policy measure requires changes in national laws, i.e. parliamentary approval (implying use of Article 236 of the Treaty of Rome).