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INTERGOVERNMENTAL CONFERENCE AND INSTITUTIONAL CONFERENCE ON EMU
11 AND 12 NOVEMBER 1991 (T. KRØYER)

The IGC on EMU Monday and Tuesday was concentrating on the following questions:

- Cohesion
- The role of the European Parliament
- European Monetary Institute
- the ECU
- Movement of capital

By the end of the Conference the President of the Conference, Dutch Finance Minister Wim Kok said that he was optimistic that a result will be reached in Maastricht. He said that the personal Representatives on the basis of the Ministers two-day debate will draw up papers which could serve as part of a broader compromise during the following weeks.

Vice-President Henning Christophersen speaking as well in the IGC and the Interinstitutional Conference in the European Parliament said that the Commission shares this optimistic attitude. The Vice-President underlined that many other political issues are at stake. If we don't reach a positive result in Maastricht it is very difficult to see solutions to political questions as enlargement, reform of the agricultural policy and a future system of financing the Community.

Concerning cohesion the Vice-President said that there is a relationship between cohesion and EMU to the extent that some countries will need assistance to implement very complex convergence programmes in order to respect convergence requirements for full participation in EMU. However, the general question of economic and social cohesion is on the agenda in the conference on political union as well as that the Commission soon will submit proposals on the future financing of the Community. He also said that a reform of the structural funds operations could allow a more explicit assistance from the Community in the field of environment and communication. These questions will be central issues during the Portuguese Presidency, he said.

In the institutional area Mr Christophersen said that a strong independent monetary institution must be balanced by an equally strong organization in the area of economic policy. He added that the Commission supports the Dutch proposal in this respect underlining that there must be a clear division of labour between the institutions with due respect for the right of initiative of the Commission and the role for the European Parliament to secure democratic legitimacy. In general he said that it will be important for all institutions to adapt their working methods in order not only to deal with medium-term questions but also to be able to react quickly and efficiently to day to day problems.

As to the European Monetary Institute the Vice-President said that it should have a character of a true institution with financial autonomy.

Speaking finally on the question of public deficits Mr Christophersen said that there should be a non-mechanic application of the criteria proposed by the Dutch Presidency to identify excessive deficits. A political assessment on the development of the economy and political measures is also important, he said.

Regards,


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