

## Initial review of the activities of the Councils: extract concerning the Monetary Committee (October 1959–April 1960)

**Caption:** Presentation of the composition, tasks and activities of the Monetary Committee, published in 1960 in the initial review of the activities of the Councils of the European Communities.

**Source:** Aperçu sur les activités des Conseils. Octobre 1959 - avril 1960. Bruxelles: Secrétariat général des Conseils des Communautés européennes, 1960. 151 p. p. 47-49.  
Archives centrales du Conseil de l'Union européenne, B-1048 Bruxelles/Brussel, rue de la Loi/Wetstraat, 175.

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## Review of the activities of the Councils (October 1959–April 1960)

[...]

### III. Economic and financial policy

[...]

#### A. Monetary Committee

3. The Monetary Committee consists of senior officials from the national governments and central banks responsible for implementing monetary and financial policies in the Member States.

Under the Statute of the Committee, adopted by the Council, members of the Committee are fully independent in the exercise of their duties.

In the performance of its task, the Committee reviews and discusses the financial and monetary situation and its foreseeable development in each of the Member States and submits six-monthly reports to the Council on the results. The reports are confidential and are studied by the authorities and institutions concerned. Since monetary and financial policy is closely linked to general economic policy, the substance of the reports extends beyond monetary and financial matters and covers economic policy as a whole.

4. In addition, the Committee summarises its activities in its annual reports. Given the importance of those documents, the chairman of the Committee introduced them with a statement to the Council in 1958 and in 1959. The Council agreed with the view expressed by the Committee that it was very important to coordinate the monetary policies of the Common Market countries. One of the essential requirements for the establishment of a unified market was that balance of payments difficulties should not jeopardise the progressive liberalisation of trade, services and capital between the Member States.

At its meeting of 9 and 10 March, after hearing the statement by the Chairman of the Committee, the Council noted that a satisfactory overall balance of payments, a high level of employment and price stability had generally been achieved in all the Member States in 1959. This favourable trend had been of considerable assistance in the implementation of the first liberalisation measures provided for in the Treaty of Rome.

The Council also noted that the increase in overall demand that the Committee predicted for 1960 could create problems and that it would, therefore, be more difficult simultaneously to achieve higher output and internal and external stability. Member States should, therefore, coordinate their policies on measures that might be necessary if the demand that developed exceeded actual expansion possibilities.

In addition, the Committee expressed the view that monetary measures were only one element of a general policy to maintain an internal and external balance and that other short-term policy instruments were therefore needed in conjunction with monetary policy. General budgetary policy and the method of financing public revenue deficits were particularly important in that respect.

Finally, the Council noted the view of the Monetary Committee that the periodic contacts in the Committee between Ministers for Finance and Economic Affairs and the central banks should be supplemented by a comparison of economic policies at ministerial level so that those policies might be properly coordinated.

[...]