

- Will be sorted
- ② Do we agree in principle at Bremen? [Subject to other conditions being fulfilled]
 - ① Will there be proposals put forward at Bremen?
 - ③ They have got off on the wrong foot by meeting together. I'm not having a Franco/German plan foisted on me.
 - ④ Was the Hamburg meeting a 6 month meeting or a special meeting? 23 June.

25B ERM 30B

Where is Schulz's draft announcement?
 @ & Clapperton's paper?
 Ken Coopers did well on 14/6.

German front will take effect in '79!

Can a scheme be effective & permanent before there is near equality in inflation rates? [or will it produce convergence?]



- X Will the scheme be a deflationary for the U.K.?
 How will it affect price & employment?
- X Why would it succeed this time when it failed earlier?

If there is monitoring of Budgetary & Monetary policy - what is there to prevent Parliament from throwing it overboard?

If no monitoring, how can it be effective?

This needs strict discipline + tight inflation between 3% & 12% can't be sustained.

V Is it better to fix against Countries nominal
rates or against EUA? - probably EUA.

X What was the difference in Inflation Rates + BOP figures
when we last dropped out?
is it the family

Present facilities are too small for effectiveness
↓ \$ 3.3B. 9 6.7B.

Clifford Use ERM (EUA) to define national parity.
± 1% fluctuation.

→ Fund of 25B ERM ^{to be} subscribed for by national currencies

How much? what kind of?

→ Draw 25% of pounds as demand
25% of Dollars taken in Fed. to be substituted by ERM.

Para 27

What are the latest figures on ~~the~~ U.K.
resource transfers to the City & who
receives the best benefits.

Whitaker was right in days of full employment
& full use of resources to require deficit countries to
bear the burden of adjustment, it is shortsighted
to require ~~that~~ ~~some~~ countries to do it now.
because it will engender more deflation.

If strong currency Countries will not export
then there should be long term capital flows
without conditions & permanent

Conditions for UK:-

Open
letter
to
Schmidt

- ① Credit from Bundesbank + Transfer of Reserves
- ② Restrict cost of CAP. (What is Bal. cost of BFR?)
- ③ Grant from FRB
(strong Economies to accept responsibility
for convergence (as well as
welfare))

Consequences
We provide no paper