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## On the road to monetary union The Delors Committee 1988 – 1989 and its records

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### **The Delors Committee – a central bankers' committee?**

The establishment of the 'Committee for the Study of Economic and Monetary Union', later primarily known as Delors Committee, was one outcome of the European Council held in Hanover in June 1988. As decided in Hanover, it was chaired by Jacques Delors, then president of the European Commission, and consisted of European Economic Community (EEC) central bank governors and additional experts, among them Alexandre Lamfalussy, the general manager of the Bank for International Settlements in Basel.<sup>1</sup> Later, between 1994 and 1997, Lamfalussy became the first president of the European Monetary Institute (EMI). The EMI was a result of the objectives laid down in the final report of the Delors Committee, entitled 'Report on economic and monetary union in the European Community', published on 12 April 1989, also known as 'Delors Report'.

The Committee, while primarily composed of central bankers, was acting upon a mandate of the European Community heads of government. The aim was to establish a European Union and a common market for goods, services, labour and capital without internal barriers. This should also include a harmonized monetary policy and a single currency.

During this period there was a divergence amongst member states of the Community concerning the level of independence of national central banks. For example: the (traditionally powerful) Banque de France was not as independent as the Deutsche Bundesbank. Even though central bank independence was more limited within the EEC, central bank governors already formed a powerful and respected voice. Central banks were equipped with

personnel continuity at leadership level, sound expertise, and they enjoyed prestige as employer as well as in the general public. For politicians on national and community levels, they were considered partners mostly and preferably, but could be regarded as opponents at times.

The 1980s were a period of acceleration for the project of European integration, compared to previous and subsequent decades. The then smaller and solely Western European Economic Community was led mainly by a political elite which fostered European unification. Only, the United Kingdom under prime minister Margaret Thatcher was known for not being overly enthusiastic about European integration. It should not be forgotten that the aim of unification was supported by a majority of people and voters during this period. Voters in the EEC and later the EU regularly voted in favour of centrist, i.e. Europe-friendly national governments<sup>2</sup>. The topic of 'European unification' surely left room for a variety of interpretations among national leaders, and integration of markets and monetary policy in particular was an arcane topic to the majority of voters. Still, during the 1980s, the unification project enjoyed considerable respect within the still relatively homogeneous Community, long before the expansion of the EU.

The Delors Committee met officially eight times between 13 September 1988 and 12 April 1989. Further, there were some informal meetings during this period. The final report of the Delors Committee determined the goal of a common economic and monetary policy high up on the agendas of national and Community leaders: 'complete freedom' (i.e. free movement) of capital, services, goods and persons together with the integration of banking and financial markets; locking of exchange parities of



1. EC President Delors meets with students in Brussels during 1985

national Community currencies, co-ordination of monetary policy, price stability and banking supervision. The final report was an ambitious proposal with specific long term goals for the development of the Community.

The Hanover European Council proposal to follow steps into the fully established monetary and economic unit, rather known as ‘stages’, was further elaborated by the Delors Committee and subsequently implemented in the 1990s. Among other factors, the first stage aimed at an improved convergence of Community member states and the completion of the internal market; an intensified co-ordination of monetary policy and a new mandate for the Committee of Governors of the Central Banks of the Member States of the European Economic Community. This foreshadowed the dissolution of the Basel-based Committee of Governors which had been established in 1964.

The second stage could only commence with the ratification of a new Community Treaty which became the ‘Treaty on European Union’, better known as ‘Treaty of Maastricht’, which was signed on 7 February 1992. A new European System of Central Banks was to be established during the second stage, which would replace the Committee of Governors and the closely related European Economic Co-operation Fund, founded in 1973. The European Monetary Institute, which came into existence on 1 January 1994, took on the role of both bodies. This stage was the preparatory phase for the third stage, which involved the fixing of exchange rates, the introduction of a single currency and the adoption of a harmonized monetary policy.

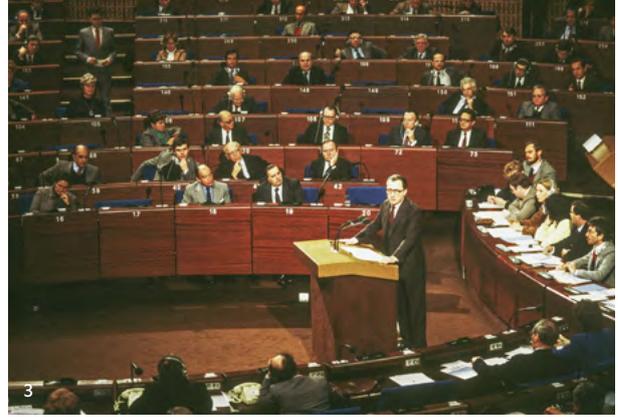
The report’s road map and the proposed three stages were subsequently put into effect as intended by the report. In theory, the last stage was meant to last permanently.

Despite the predominance of central bank governors as members of the Delors Committee, it was neither a forum for central banks nor did it fully reflect the interests and aims of the central bank governors. ‘There never would have been a single currency if the decisions had been left to the central banks. There was a real interest in it among the governors, but it was principally those representing the smallest countries’, Lamfalussy said a quarter century after the Delors Committee.<sup>3</sup> It was part of a political road map to include the idea of a single currency of the EEC and then of the EU, as part of a unified European market area. This could not have been achieved against the EEC central bank governors. Therefore, it was certainly a masterpiece of European diplomacy to give the Delors Committee the looks of a central bank forum and to involve these governors, while the direction of travel was set by politicians such as Delors and the national

leaders; as ‘only the central bankers could remove the obstacles’ on the way to a Union, as Harold James wrote.<sup>4</sup> Or a bit less subtle, Lamfalussy remarked on the incongruity of the structure in retrospect: ‘It’s fairly bizarre for the President of the Commission to be chairing a committee! This was something of a structural anomaly. And secondly, he himself proposed that the meetings be held in Basel, where he really did bamboozle the central banks.’<sup>5</sup> Basel, as symbol of central bank independence, hosting the Bank for International Settlements (BIS) including the Committee of Governors, was the ideal décor for the Delors Committee deliberations. The BIS as a prestigious institution and the predominance of central bank governors certainly purported the idea that this was a central bank forum, but it was not: even the final report had to be approved by the European Commission.

#### **Past and present of the Committee’s records**

The Delors Committee was active in an earlier stage of office automatization and use. This means that the value of its recorded evidence was not limited by e.g. e-mail or mobile phone usage and their inescapable losses for record keeping. De facto, the Delors Committee was documented twice in a similar, but in details different way. The Delors Committee and its meetings were highly dependent on the services and input of two secretaries (then also called rapporteurs). These were the influential central bankers Gunter D. Baer (BIS) and Tommaso Padoa Schioppa (Banca d’Italia). As secretaries or rapporteurs, they were not officially members of the Delors Committee, but attended ex-officio. There was, using Lamfalussy’s expression term, also a ‘structural anomaly’ with regard to ownership and maintenance of the records: Padoa Schioppa transferred the Delors Committee records in his custody, as a part of his personal archives, to the Historical Archives of the European Union (HAEU) in Florence as a deposit in 2009.<sup>6</sup> The records once kept by Gunter D. Baer were delivered to the BIS archives, where they remained until 2005. The BIS archives however was concerned with the question of ownership, as the Delors Committee was not an entity set up by the BIS. It was also not a sub-group of the European Commission, albeit the Commission’s president was its chairperson. Bearing in mind that the European Council of Hanover had set up this group to work on the monetary union, the European Central Bank was contacted as an appropriate place for these records to be preserved. Consequently, in September 2005, the rather small collection (around one linear meter) was transferred from Basel to Frankfurt am Main. Subsequently, the Delors Committee records were re-packaged and re-housed in archival quality storage materials and summarily described in an inventory.



2. Jacques Delors doing a speech about his appointment as European Commission President at the European Parliament of Strasbourg in January 1985
3. Jacques Delors in the hemicycle of the European Parliament in Strasbourg in 1985
4. Meeting of the Association for the Monetary Union of Europe at the European Parliament in Strasbourg - 10th anniversary of the ECU in 1989
5. Portrait of MEP Jacques Delors in 1980

### Bringing the Delors Committee to the public

15 years ago, when this fonds was transferred to the ECB, opening the Delors Committee records was not an urgent issue. The ECB applies the standard 30-years-period for the release of records in its custody, under the terms of the European Community Regulation 354/83<sup>7</sup>. The 2004 ECB Decision on public access to documents held by the ECB did not alter this. For all requests to consult the Delors Committee records a written application was needed ‘in a sufficiently precise manner to enable the ECB to identify the document’.<sup>8</sup> The major difference was that restrictions concerning records access are abolished after 30 years, and records are then seen as ‘historical’.

At present, summary versions of archival catalogues and information about the historical records held by the ECB historical archives are available via the website of the ECB.<sup>9</sup> The ECB historical archives comprises not only records created by the ECB from 1998 onwards, but other collections dating back to the 1960s and even earlier. Among those, the Delors Committee fonds is by far the smallest. From 2019, all Delors Committee records have reached 30 years of age and are have been thus made available to the public. Subsequently, the Executive Board and Governing Council aimed at the ‘proactive release’ of records of the ECB predecessors and the abolishment of the 30-years-rule for these collections including the EMI records dating from 1994 to 1998.

Even a relative young organisation such as the ECB has got a considerable historical memory, which does not exclusively consist of papers such as Board minutes, but rather of a large set of monetary and institutional history. Many of these records show the changes and also deficiencies of paper quality over time: carbon copies from the typewriter era, or even the unforgotten and very delicate fax machine paper of the 1980s are included, mediums that cannot be easily scanned for web publishing without preservation concerns. Many archives, even some bank and central bank archives especially in the Anglo-Saxon world are rather active in this respect. Archives of financial institutions have surely not been the avant-garde of the digitised archives, and this reservation is understandable given their traditional discretion and confidentiality concerns. However, the overall trend goes towards more transparency, communication and even ‘history marketing’. Many archives show low-threshold offers for the general public today, for the non-researcher, in particular via the internet. This will also help the expert user; ‘accessibility’ is one of the main factors of successful archival work.

The Delors Committee minutes, meeting transcripts and supporting documents are now available on the ECB website in English, French and German. These

have also been promoted across the ECB’s social media platforms (e.g. Instagram, LinkedIn, Twitter). In this way, we hope to attract students, researchers and a general audience interested in discovering and using these records to create a new historiography of the European monetary union and the ongoing process of European integration.

Matthias Weber

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1. The other members were: Niels Thygesen, professor at the University of Copenhagen, Miquel Boyer, president of the Banco Exterior de España and Frans Andriessen, vice-president of the European Commission and Commissioner for Agriculture and Fisheries.
2. Amazingly, stronger success of less centrist and more ‘anti-European’ politicians was obvious in the elections for the European Parliament. Even this had often domestic reasons. See Philip Manow / Holger Döring: Divided Government European Style? Electoral and mechanical causes of the European Parliament and Council Divisions, MPIfG Discussion Paper 06/8, Max Planck Institute for the Studies of Societies Cologne, December 2006, in particular p. 12. See online: [https://www.mpifg.de/pu/mpifg\\_dp/dp06-8.pdf](https://www.mpifg.de/pu/mpifg_dp/dp06-8.pdf)
3. Christophe Lamfalussy / Ivo Maes / Sabine Péters: Alexandre Lamfalussy. The wise man of the Euro, Tielt 2013, p. 134.
4. Harold James: Making the European Monetary Union. The role of the Committee of Central Bank Governors and the origins of the European Central Bank, Cambridge (Mass.) / London 2012, p. 213.
5. Lamfalussy, I.c., p. 135.
6. The inventory of Delors Committee records by Padoa Schioppa can be found online: <https://archives.eui.eu/en/fonds/281336?item=TPS.A.B-04.04>
7. Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community. OJ L 43, 15.2.1983, p. 1 – 3
8. The current version of the Decision of the European Central Bank of 4 March 2004 on public access to European Central Bank documents (ECB/2004/3) (2004/258/EC) was published in 2015. See online: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02004D0003\(01\)-20150329&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02004D0003(01)-20150329&from=EN)
9. See online: [https://www.ecb.europa.eu/ecb/access\\_to\\_documents/archives/html/index.en.html](https://www.ecb.europa.eu/ecb/access_to_documents/archives/html/index.en.html)