

① EMS

Exchange rate controls, abolition
domestic banking systems.

Cartel arrangements

markets &
Capital movements

{ German insurance Coys
cannot buy foreign (financial
instruments) assets.
{ Mtge. finance in Italy. No
access to UK.

At top of band you still have to spend £ sterling

List: ERM, after these conditions are met, will
be impossible to operate. It would go probably to
reference zones with which we could tie.

I propose to get you off the hook. The
system will have to change.
Free banking activity.

AM Once you fix exchange rates you cause trouble.

AW Don't fix prices.

A.W. Bank of England say conditions are not now
right.

AW Risk of Deutschmark interest rates going up