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December 18, 1990

To: Members of the Executive Board
From: The Secretary
Subject: Germany - Monetary Measures

The Secretary has received the following memorandum dated December 17, 1990 from Mr. Goos:

I received the following communication from the Deutsche Bundesbank which I would like you to kindly circulate to the members of the Executive Board for information:

At its meeting on December 13, 1990, which was attended by Dr. Horst Köhler, State Secretary in the Federal Ministry of Finance, the Central Bank Council of the Deutsche Bundesbank concerned itself with the monetary policy stance and the monetary target for 1991. It decided as follows:

In 1991 the Deutsche Bundesbank will conduct its monetary policy in such a way as to strictly limit the currently emerging dangers to price stability and to ensure at the same time that the monetary conditions permitting steady economic growth remain in effect. To this end the Bank regards it as appropriate for the money stock M3 throughout the currency area of the deutsche mark to increase by 4 percent to 6 percent between the fourth quarter of 1990 and the fourth quarter of 1991.

Other Distribution:
Department Heads