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MarketWatch

Sept. 9, 2011, 10:29 a.m. EDT

## ECB's Stark steps down, markets hit

### Move said to stem from disagreement over bond-buying program

By **William L. Watts**, MarketWatch

**FRANKFURT (MarketWatch) — Juergen Stark, a top official at the European Central Bank, stepped down Friday, with news reports tying the move to disagreements over the bank's bond-buying program.**

In a statement, the bank said Stark told ECB President Jean-Claude Trichet he would leave his post on the bank's six-member Executive Board and its policy-setting Governing Council for "personal reasons."

The euro (ICAPC:EURUSD) extended a loss versus the dollar, European equities dropped and U.S. stocks opened sharply lower as the news renewed worries over the euro-zone's sovereign debt crisis.

The euro traded at \$1.3715 versus the dollar, down 1.2% from Thursday, in recent action.

Stark quit due to a conflict over the bond program, Reuters reported, citing two unidentified sources.

It was widely reported last month that Stark opposed the re-activation of the ECB's bond-buying program, which saw the central bank step in to buy large quantities of Italian and Spanish debt in a successful effort to drag down borrowing costs for both countries and halt the spread of the region's sovereign debt crisis.

Trichet in August acknowledged that the vote to resume bond-buying after a 19-week pause hadn't been unanimous, but that an "overwhelming majority" of the 23-member Governing Council approved the plan.

Conflicts over the bond program could add to worries over the ECB's ability to insulate Italy, the euro-zone's third largest economy, from the sovereign debt crisis as officials wait for national parliaments to approve changes to the euro-zone rescue fund that would allow it to assume the bond-buying role.

Stark's term was set to expire in May 2014. The ECB said he agreed to remain in his position until a successor is found, which should happen by the end of the year.

Trichet thanked Stark "wholeheartedly for his outstanding contribution to European unity over many years," the ECB said.

A veteran central banker, the 63-year-old Stark has been a member of the Executive Board and Governing Council since June 2006. Before that, Stark served as vice president of the German Bundesbank.

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