

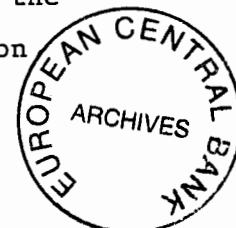
EUROPEAN MONETARY CO-OPERATION FUND

(Translation)

12th December 1978

Draft

Opinion of the EMCF's Board of Governors
on the proposals for (EEC) Council Regulations submitted by the
Commission to the Council on 27th October 1978 in connection
with implementation of the new European monetary system



In the course of its meeting on 12th December 1978 the Board of
Governors of the European Monetary Co-operation Fund examined the two
proposals for Regulations submitted by the Commission to the Council and
formulated the following opinion on them.

I. PROPOSAL FOR A COUNCIL REGULATION CHANGING THE VALUE OF THE UNIT OF ACCOUNT
USED BY THE EUROPEAN MONETARY CO-OPERATION FUND

The Board of Governors has no substantive comments on this proposed
Regulation. The only point it would like to make is that it has been
agreed that the claims and liabilities outstanding in the books of the
European Monetary Co-operation Fund when this proposed Regulation comes
into force will continue to be denominated, until their liquidation, in
European monetary units of account as defined in the current text of Article 5
of the Statutes of the European Monetary Co-operation Fund.

II. PROPOSAL FOR A COUNCIL REGULATION ESTABLISHING A EUROPEAN MONETARY SYSTEM

This proposed Regulation deals with the issue of ECUs by the European
Monetary Co-operation Fund against monetary reserves placed with the Fund by
the monetary authorities of the Member States of the EEC and with the use
of these ECUs. Although this is a very important part of the European monetary
system, the EMS is in fact a broader concept which embraces several further elements
that are not covered in this Regulation. Accordingly the Board of Governors
of the European Monetary Co-operation Fund considers that the scope of the
Regulation's title should be restricted to its contents, a possible suggested
form of words being: "Proposal for a Regulation authorising the European

Monetary Co-operation Fund to receive monetary reserves and to furnish ECUs to the monetary authorities of the Member States".

For the same reason, the Board of Governors suggests that the last "whereas" clause should be dropped and replaced by the following:

"Whereas it is necessary to create and use ECUs if the objectives pursued by the Community are to be achieved, and whereas the powers needed for this purpose are not provided for in the Treaty".

Finally, the Board of Governors of the European Monetary Co-operation Fund considers that, so as to leave no doubt as to the competence of the European Monetary Co-operation Fund to decide the arrangements for the creation and use of ECUs, it would be advisable to add to the proposed Regulation a new third article, worded as follows: "The Board of Governors of the European Monetary Co-operation Fund shall determine the procedures for implementing Articles 1 and 2 of this Regulation".

Article 3 of the existing draft would become Article 4.