

# COMMISSION OF THE EUROPEAN COMMUNITIES

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THIS DOCUMENT CANCELS AND REPLACES  
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Proposal for a  
COUNCIL REGULATION

changing the value of the unit of account used  
by the European Monetary Cooperation Fund

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Proposal for a  
COUNCIL REGULATION

establishing a European Monetary System

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(submitted to the Council by the Commission)

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Proposal for a  
COUNCIL REGULATION

changing the value of the unit of account  
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THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic  
Community,

Having regard to Council Regulation (EEC) No 907/73 of 3 April 1973  
establishing a European Monetary Cooperation Fund (1), and in particular  
the last paragraph of Article 5 of the Annex thereto,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the Monetary Committee,

Having regard to the Opinion of the Board of Governors of the European  
Monetary Cooperation Fund,

Whereas Article 5 of the Annex to Regulation (EEC) No 907/73, which sets  
out the Statutes of the Fund, requires the latter's operations in the  
currencies of the Member States to be expressed in a European monetary  
unit of account of a value of 0.88867088 grammes of fine gold;

Whereas, apart from cases in which this value is changed automatically, the  
last paragraph of this Article provides that any other changes shall be  
decided on by the Council, acting unanimously on a proposal from the  
Commission after consulting the Monetary Committee and the Board of  
Governors of the Fund;

Whereas any reference to gold for the purpose of defining the value of  
currencies and thus of units of account does not any longer conform with  
the rules in force in the international monetary system;

Whereas the arrangements for setting up the new European Monetary System examined by the European Council at its meeting in Bremen on 6 and 7 July 1978 feature the use of a unit of account defined in terms of a basket of Member States' currencies;

HAS ADOPTED THIS REGULATION:

Article 1

With effect from 1 January 1979, the Fund's operations shall be expressed in a unit of account known as the ECU, which is defined as the sum of the following amounts of the currencies of the Member States of the European Communities:

0.828	German marks
0.0885	pounds sterling
1.15	French francs
109	Italian lire
0.286	Dutch guilders
3.66	Belgian francs
0.14	Luxembourg francs
0.217	Danish kroner
0.00759	Irish pounds

Article 2

The Council, acting unanimously on a proposal from the Commission after consulting the Monetary Committee and the Board of Governors of the Fund, shall determine the conditions under which the composition of the ECU may be changed.

Article 3

This Regulation shall enter into force on 1 January 1979.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council

The President

proposal  
for a Regulation establishing a  
European Monetary System

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Article 235 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

Whereas the European Council, meeting in Bremen on 6 and 7 July 1978, regarded the establishment of a zone of closer monetary cooperation, through the setting up of a European Monetary System, as a highly desirable objective; whereas, at its meeting in Brussels on 4 and 5 December 1978, it spelt out the principles on which introduction of this system on 1 January 1979 was to be based;

Whereas in this framework, and not later than two years after the start of the system the existing arrangements and institutions would be merged into a European Monetary Fund; whereas, in the meantime, responsibility for administering the new monetary system should be entrusted initially to the European Monetary Cooperation Fund, set up by Council Regulation (EEC) No 907/73 of 3 April 1973<sup>1</sup>,

Whereas, by Regulation (EEC) No /78, the Council adopted the ECU as the unit of account used by the European Monetary Cooperation Fund;

Whereas, for the system to begin functioning, it is necessary to provide immediately for the creation of a supply of ECU against part of the Central Banks' reserves placed with the system; and for those ECU to be used as a means of settlement within the system;

Whereas establishment of the system is necessary if the objectives pursued by the Community are to be achieved, notably the gradual convergence of Member States' economic policies, the smooth functioning of the common market and the attainment of economic and monetary union; whereas the powers needed to set up the system are not provided for in the Treaty,

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<sup>1</sup> OJ No L 89, 5.4.1973, p. 2

HAS ADOPTED THIS REGULATION:

Article 1

The European Monetary Cooperation Fund is hereby empowered to receive monetary reserves from the monetary authorities of the Member States of the Community and to issue ECU against such assets.

Article 2

ECU issued by the Fund may be used as a means of settlement between the monetary authorities of the Member States and for transactions between those authorities and the Fund.

Article 3

This Regulation shall enter into force on 1 January 1979.

This Regulation shall be binding in its entirety and directly applicable in all Member States.