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Committee of Alternates

DRAFT PRELIMINARY REPORT  
ON QUESTIONS CONCERNING THE CREATION OF THE  
EUROPEAN MONETARY FUND  
(preliminary text still to be approved)

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At its meeting on 29th and 30th November 1979 the European Council confirmed its intention to establish the European Monetary Fund as scheduled in its Resolution of 5th December 1978, that is not later than two years after the start of the European Monetary System. For this purpose, the Council asked the Commission of the European Communities to present a report for its next meeting in March 1980 on progress made and difficulties encountered in this connection.

In this context, the Committee of Governors has drawn up this preliminary report showing the position it has reached in its work on this subject. The Governors have not attempted to frame concrete proposals (which would be premature at this stage) but have confined themselves to describing briefly the type of institution to which the consolidation of the provisions and procedures currently governing the European Monetary System might lead and outlining the main problems posed by the transition to an initial stage of the definitive phase of the EMS.

I. GENERAL CONSIDERATIONS

1. Parallelism in progress in monetary and economic integration

The Governors first wish to stress that, while institutional innovations can play their rôle, the lasting success of the European