EUROPEAN COMMUNITIES

Monetary Committee

Compendium of Community Monetary Texts

Supplement

to 1974 edition.

1976

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CONTENTS

(1974 Edition and Supplement)

FOREWORD

This supplement up-dates the Compendium of Community Monetary Texts (1974) to cover the period up to the end of March 1976. It should be noted that the following texts published in the first volume of the Compendium are no longer in force:

1. By virtue of Article 8 of the Council Decision of 18 February 1974 setting up an Economic Policy Committee (74/122/EEC) (No. VI — 10):

   No. VI — 1 Decision of 9 March 1960 on co-ordination of the conjunctural policies of the Member States

   No. VI — 2 Council Decision of 15 April 1964 setting up a Medium-term Economic Policy Committee (64/247/EEC)

   No. VI — 3 Council Decision of 8 May 1964 on co-operation between the competent government departments of Member States in the field of budgetary policy (64/299/EEC)

2. By virtue of Article 13 of the Council Decision of 18 February 1974 on the attainment of a high degree of convergence of the economic policies of the Member States of the European Economic Community (74/120/EEC) (No. VI — 9):

   No. VI — 4 Council Decision of 17 July 1969 on co-ordination of the short-term economic policies of the Member States (69/227/EEC)

   No. VI — 5 Council Decision of 16 February 1970 on the appropriate rules for consultation as provided for in the Council Decision of 17 July 1969

   No. VI — 6 Council Decision of 22 March 1971 on the strengthening of co-ordination of short-term economic policies of the Member States of the European Economic Community (71/141/EEC)

3. By virtue of Article 7 of Regulation (EEC) No. 475/75 of the Council of 27 February 1975 on the exchange rates to be applied in agriculture, subsequently repealed by Council Regulation (EEC) No. 557/76 of 15 March 1976 (No. VIII — 14)

   No. VIII — 8 Regulation (EEC) No. 2544/73 of the Council of 19 September 1973 on the exchange rate to be applied in agriculture for the Dutch guilder

   No. VIII — 9 Regulation (EEC) No. 2958/73 of the Council of 31 October 1973 on the exchange rate applied in agriculture for the Italian lira and consequently:

No. VIII — 10 Regulation (EEC) No. 197/74 of the Council of 25 January 1974 amending in particular Regulation (EEC) No. 2958/73 on the exchange rate applied in agriculture for the Italian lira.

II
Monetary Committee

13-14

COUNCIL DECISION

of 25 March 1976

amending the Decision of 18 March 1958 laying down the rules governing the Monetary Committee

(76/332/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 105 (2) and 153 thereof,

Having regard to the opinion of the Commission,

Whereas, by its Decision of 18 March 1958 [1], as amended by the Decision of 2 April 1962 [2] and by Annex I to the Act of Accession [3], the Council laid down rules governing the Monetary Committee ; whereas, in order to facilitate the smooth running of the work of the officers and to ensure a more balanced distribution of their work and in order to achieve a greater degree of representation, the number of officers should be increased and, consequently, Article 7 of the abovementioned Decision should be amended,

HAS DECIDED AS FOLLOWS :

Sole Article

In Article 7 of the Council Decision of 18 March 1958 laying down the rules governing the Monetary Committee, the words 'two vice-chairmen' shall be replaced by the words 'three vice-chairmen'.

Done at Brussels, 25 March 1976.

For the Council

The President

M. MART

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(1) OJ No 17, 6. 10. 1958, p. 390/58.
(2) OJ No 32, 30. 4. 1962, p. 1064/62.
(3) OJ No L 73, 27. 3. 1972, p. 14.

IV

Exchange rate system

16-18

AGREEMENT
AMENDING THE PROVISIONS OF THE AGREEMENT OF 10TH APRIL 1972 ESTABLISHING A SYSTEM FOR THE NARROWING OF THE MARGINS OF FLUCTUATION BETWEEN THE CURRENCIES OF THE EUROPEAN ECONOMIC COMMUNITY

THE CENTRAL BANKS (1) OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY

HAVE AGREED ON THE FOLLOWING PROVISIONS

Article 1: Initial settlement date

The initial settlement date for a very short-term financing operation shall remain fixed at the last working day of the month following that in which the value date of the intervention fell.

Article 2: Automatic renewal

At the request of the debtor central bank, the settlement date laid down under Article 1 may be extended to the last working day of the third month following the initial settlement date.

However:

(a) Any settlement date fixed under the terms of Article 1 may only be automatically extended once for a maximum of three months.

(b) Recourse may only be had to the renewal facility referred to above provided that a debt does not thereby remain continuously outstanding for more than six consecutive months.

(c) The total amount of indebtedness resulting from application of the present article may at no time exceed a ceiling equal to the debtor quota of the central bank concerned under the short-term monetary support arrangement.

(d) Should a central bank have recourse to the automatic extension of the very short-term financing for six consecutive months, the Committee of Governors will consider whether the payments deficit of the country concerned is of a nature which would make other ways of financing more appropriate, in particular through short-term or medium-term financial assistance inside the EEC.

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(1) An identical decision was taken on the same date by the Board of Governors of the E.M.C.F.

Article 3: Repayment of claims

Claims arising from financing operations carried out in accordance with Articles 1 and 2 above shall be settled in order of seniority based on the length of time for which the claims have been outstanding; however, if a central bank's claim exceeds the amount of its creditor quota under the short-term monetary support arrangement, that central bank may request that the excess be treated for purposes of settlement as equal in seniority to the most senior claims of other creditor central banks.

All claims arising within the same monthly accounting period shall be regarded as of equal seniority.

When a settlement covers a number of claims regarded as of equal seniority, each of the components of the settlement shall be distributed in proportion to the respective amounts of the claims.

The rules governing the order or distribution of settlements may be departed from subject to the agreement of all the parties to the financing operations carried out in accordance with Articles 1 and 2 of the present Agreement.

Article 4: Automatic offsetting

All the debts and claims of a single central bank arising from the operations provided for under Articles 1 and 2 of the present Agreement shall, where appropriate, be automatically offset against each other.

Any new liability shall be offset against the most senior claim of the same central bank. Any new claim shall be offset against the most senior debt of the central bank.

Article 5: Advance repayment

Any debtor balance recorded in accordance with Articles 1 and 2 of the present Agreement may be settled in advance at the request of the debtor central bank:

- at any time in the currency of a creditor in the EMCF, under Articles 1 and 2 of the present Agreement,
- on the last working day of a month by transfer of the means of settlement provided for in Article 8 of the present Agreement.

Any advance settlement shall be applied first to the most senior liabilities contracted under Article 2 of the present Agreement.

Article 6: Renewal by mutual agreement

Any debt exceeding the ceiling laid down in Article 2*(c)* of this Agreement may be renewed once for three months subject to the agreement of the creditor or creditors in the EMCF.

Any debt already renewed automatically for three months may be renewed a second time for a further three months subject to the agreement of the creditor or creditors in the EMCF.

Debts and claims thus extended by mutual agreement shall be settled separately outside the provisions of Articles 3, 4 and 5 of this Agreement without prejudice, however, to the order of precedence of settlements carried out under those Articles. Offsetting or advance settlement of debts and claims of the kind for which provision is made in the present Article shall be subject to the agreement of all creditors and debtors in the EMCF, whatever the nature of their claim or debt.

Article 7: Remuneration

The uniform Community interest rate shall apply in any one month to all amounts outstanding in respect of operations with settlement dates governed by Articles 1, 2 or 6.

Accrued interest shall be paid at each monthly settlement date or, between settlement dates, at the same time as advance liquidation of a debtor balance is effected.

Article 8: Means of settlement

When a financing operation falls due for settlement the debtor central bank may liquidate its debt by means of assets in the currency of a creditor in the EMCF and, for the balance, by the transfer of special drawing rights or the proceeds of drawings from the General Account of the International Monetary Fund, and reserve assets denominated in dollars or any other acceptable currency, in a proportion based on the composition of its own reserves in these two categories of assets as at the end of the month preceding settlement.

The provisions of the first paragraph of the present Article shall not prevent creditor and debtor central banks from agreeing, at any common settlement date, to effect settlement, wholly or in part, on different terms and conditions.

The provisions concerning settlements in gold at the official price through the EMCF shall be provisionally suspended for new settlement operations.

Article 9: Entry into force

The present Agreement shall apply to positions arising out of interventions carried out in or after July 1975.

Done in Basle on 8th July 1975

V

Support mechanism and E.M.C.F.

22-24

COUNCIL DECISION

of 18 December 1975

renewing the machinery for medium-term financial assistance

(75/785/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 103 and 108 thereof;

Having regard to the proposal from the Commission;

Whereas Article 1 (2) of Council Decision 71/143/EEC (1) of 22 March 1971 setting up machinery for medium-term financial assistance, as amended by the Act of Accession (2), provides that this machinery, which is initially valid for a period of four years commencing 1 January 1972, shall then be automatically renewed every five years if agreement is reached on the transition to the second stage of the plan for economic and monetary union, and provided that one or more Member States do not object;

Whereas the machinery for medium-term financial assistance avoids the need for recourse to the safeguard clauses of the Treaty;

Whereas the reasons for setting up this machinery are still valid, and are in fact now stronger by reason of the fact that balance of payments problems have become more acute;

Whereas the initial period of validity of the machinery for medium-term financial assistance should therefore be increased from four to eight years,

HAS ADOPTED THIS DECISION:

Article 1

In Article 1 (2) of Decision 71/143/EEC, the words 'eight years commencing 1 January 1972' and '31 December 1979' should be substituted for the words 'four years commencing 1 January 1972' and '31 December 1975' respectively.

Article 2

Done at Brussels, 18 December 1975.

For the Council

The President

M TOROS

(1) OJ No L 73, 27. 3. 1971, p. 15.
(2) OJ No L 73, 27. 3. 1972, p. 94.

COUNCIL DIRECTIVE

of 17 December 1974

granting medium-term financial assistance to the Italian Republic

(74/637/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 108 (2) thereof;

Having regard to the recommendation submitted by the Commission, following consultation of the Monetary Committee;

Whereas Council Decision No 71/143/EEC [1] of 22 March 1971 setting up machinery for medium-term financial assistance, lays down that up to the ceilings specified in that Decision, Member States should make available medium-term credits in the form of mutual assistance to a Member State in difficulties or seriously threatened with difficulties as regards its balance of payments, with the Council determining the economic policy undertakings the recipient Member State is required to give;

Whereas intensive consultations have been held in the Monetary Committee to discuss the economic situation of the Italian Republic; whereas these consultations have shown that this Member State is facing real balance of payments difficulties which, if they continue, could jeopardize the proper functioning of the common market; whereas, in view of the present economic situation of the Italian Republic and the state of its foreign exchange reserves, medium-term financial assistance is a particularly suitable method for countering these difficulties;

Whereas, pursuant to Article 3 of Decision No 71/143/EEC, it is necessary to determine the economic policy undertakings to be given by the recipient Member State, to comprise both immediate stabilization measures relating especially to credit policy and public expenditure, and also medium-term measures; whereas the nature of such measures has been discussed in detail in the Monetary Committee;

Whereas the main objective of these measures must be to enable the Italian Republic to achieve, in 1975, a surplus of at least US $ 1 000 million on its trade balance, leaving aside net imports of petroleum products;

Whereas the United Kingdom has declared that its present and foreseeable balance of payments difficulties prevent it from contributing towards financing the assistance to the Italian Republic; whereas the United Kingdom has declared that it is nevertheless ready to continue renewable credits in favour of the *Banca d'Italia* of the same amount as those which it granted within the system of short-term monetary support,

HAS ADOPTED THIS DIRECTIVE:

Article 1

In accordance with Decision No 71/143/EEC, the Italian Republic shall be given medium-term financial assistance on the terms set out below.

Article 2

The amount of the financial assistance shall be 1 159·20 million units of account.

Member States' contributions to this assistance shall be as follows:

	million units of account
Germany	403·3
France	403·3
Belgium/Luxembourg	134·4
Netherlands	134·4
Denmark	60·4
Ireland	23·4

Article 3

The full amount of the assistance shall be made available to the Italian Republic on 18 December 1974.

The loan shall be repaid in 1978 in four quarterly payments, the first falling due on 18 March 1978.

The Italian Republic may repay all or part of the loan in advance, giving three months' notice.

Article 4

The amount shall be made available to the Italian Republic in United States dollars at the rate of $ 1·20635 per unit of account, applicable for the entire duration of the assistance.

[1] OJ No L 73, 27. 3. 1971, p. 15.

The loan shall be granted at an interest rate of 7·5625 %. The interest shall be payable every six months in arrears.

Article 5

The assistance shall be granted subject to the conditions set out in Articles 6 and 7 relating to the economic and monetary policy measures to be taken by the Italian Republic.

Article 6

1. The increase in total lending must be kept below Lit 22 400 000 million in the 12 months to 31 March 1975. For the period from 1 April 1975 to 31 March 1976, this increase must not exceed Lit 24 700 000 million.

By total lending is meant the financing of treasury deficits (excluding financial assistance to financial intermediaries), loans granted by *aziende di credito* (banks) and specialized financial institutions and bonds issued by undertakings and public authorities other than the treasury.

2. The rate of increase in central government expenditure must not exceed 16 % in the 1975 calendar year. In addition, the central government shall take steps to ensure that other public authorities and the social security institutions limit the growth of their expenditure in 1975 to a similar extent.

3. The deficit on treasury transactions must not exceed Lit 8 000 000 million in 1975. By treasury transactions are meant those listed in Annex.

Article 7

1. The discrepancy between central government current expenditure and revenue must be gradually eliminated over the next five years by measures to be taken immediately by the Italian authorities.

To this end :

— the expenditure and number of semi-public bodies shall be restricted ;

— direct taxation shall be increased and the campaign against tax evasion stepped up ;

— special efforts shall be made to improve administrative organization and to prevent the transfer of powers from central government to regional authorities from leading to duplication of tasks.

2. Over the next five years, monetary financing of treasury requirements must be gradually and substantially reduced.

3. In public capital spending, priority shall be given to the development of public transport and increased use of national energy resources.

4. Saving shall be made in the consumption of petroleum products for domestic use.

5. The competent authorities shall take the necessary steps, where appropriate using available Community instruments, in particular the Social Fund, to improve the operation of relocation services and the vocational training of workers.

6. Special efforts shall be made to promote foreign investment in Italy, particularly in the Mezzogiorno.

7. Detailed plans for implementing the measures provided for in this Aricle shall be communicated to the Commission by 30 June 1975.

Article 8

Acting on a recommendation from the Commission, the Council shall, by 1 December 1975, adapt for the following year the conditions laid down in Article 6.

Article 9

The Commission, in collaboration with the Monetary Committee, shall regularly check that the economic policy conditions laid down in Articles 6 and 7 are being respected. For this purpose, the Italian authorities shall communicate to the Commission all the necessary information.

As regards the measures provided for in Article 6, intermediate objectives shall be jointly agreed during the year by the Italian authorities and the Commission.

Article 10

This Directive is addressed to the Member States.

Done at Brussels, 17 December 1974.

For the Council
The President
M. DURAFOUR

ANNEX

Treasury transactions referred to in Article 6

1. Budgetary receipts
2. Budgetary expenditure
3. Budgetary deficit (1 — 2)
4. Extra-budgetary operations:
   — as appear in the balance sheet of the treasury
   — others
5. Overall treasury cash deficit (3 + 4)
6. Operations of the *Cassa Depositi e Prestiti* (CDP) and autonomous public undertakings:
   — main outgoings of the CDP
   — net financing requirement of autonomous public undertakings
7. Borrowing requirement (5 + 6)

COUNCIL DIRECTIVE

of 18 December 1975

adapting the conditions laid down for the grant of medium-term financial assistance to the Italian Republic

(75/784/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 108 (2) thereof;

Having regard to Council Directive 74/637/EEC [1] of 17 December 1974 granting medium-term financial assistance to the Italian Republic, and in particular Article 8 thereof;

Having regard to the recommendation submitted by the Commission, after consulting the Monetary Committee;

Whereas the economic situation of the Italian Republic has been the subject of detailed examination in collaboration with the Monetary Committee; whereas this examination has revealed a considerable improvement in the internal and external economic equilibrium; whereas the principle objective of Directive 74/637/EEC was to improve the balance of payments by means of the achievement in 1975 of a surplus of at least 1 000 million US dollars on the Italian trade balance, leaving aside net imports of petroleum products; whereas this objective has been attained and even substantially exceeded;

Whereas Article 8 of Directive 74/637/EEC provides for the adaptation by the Council for 1976 of the conditions laid down in Article 6 concerning the economic policy measures to be taken by the Italian Republic; whereas, for 1976, the principle objective of these measures is to keep the overall trade balance deficit (difference between imports fob and exports fob) below Lit 1 500 000 million; whereas the outlook for the development of economic activity is, in the present situation, particularly uncertain; whereas it is therefore necessary to monitor with particular care the development of the economic situation in Italy in the course of 1976 and to adapt the objectives laid down, should the economic assumptions on which they are based need to be modified;

Whereas Article 7 of Directive 74/637/EEC sets out medium-term economic policy guidelines; whereas these guidelines are assuming an increasing importance as the date of expiry of the financial assistance approaches; whereas a special effort should be made by the Italian authorities to improve the current account of the central government because of the deterioration noted during 1975; whereas a substantial reduction of monetary financing of the deficit on treasury transactions is necessary in accordance with paragraph 2 of the same Article, and that it therefore appears to be advisable to set a ceiling for this;

Whereas it appears necessary that the Council should be able to adapt again for 1977 and, where appropriate, in the course of 1976 the conditions laid down in Directive 74/637/EEC as adapted by this Directive;

Whereas it should be possible to fix intermediate objectives shortly;

Whereas it appears advisable to set a deadline for establishing the extent to which the conditions laid down in Article 7 of Directive 74/637/EEC have been fulfilled,

HAS ADOPTED THIS DIRECTIVE:

Article 1

1. The economic policy measures set out in Article 6 of Directive 74/637/EEC shall be adapted as follows:

(a) the growth of total lending, as defined in Article 6 (1) of Directive 74/637/EEC, shall be limited to Lit 31 000 000 million in respect of the 1976 calendar year;

(b) the deficit on treasury transactions, as defined in Article 6 (3) of Directive 74/637/EEC, must not exceed Lit 14 800 000 million in respect of the 1976 calendar year.

2. The economic policy measures set out in Article 7 of Directive 74/637/EEC shall be adapted as follows:

(a) the rate of increase in central government current expenditure must not exceed 15 % in the 1976 calendar year. The central government shall take steps to ensure that other public authorities and the social security institutions limit their current expenditure in 1976 to the same extent;

(b) central bank financing of the deficit on treasury transactions shall be limited to Lit 5 700 000 million in the 1976 calendar year.

Article 2

1. Before the end of February 1976, intermediate objectives shall be jointly agreed by the Italian authorities and the Commission as regards the measures set out in Article 1 (1) (a) and (2).

[1] OJ No L 341, 20. 12. 1974, p. 51.

2. Acting on a recommendation from the Commission, the Council may, in the course of 1976, decide on the adaptation of the objectives referred to in Article 1 should the economic assumptions on which these objectives are based need to be substantially modified.

3. Acting on a recommendation from the Commission, the Council shall, by the end of 1976, adapt for the following year the objectives referred to in Article 1.

4. By 31 December 1976, the Italian authorities shall communicate to the Commission the extent to which the measures laid down in Article 7 of Directive 74/637/EEC have been achieved.

Article 3

This Directive is addressed to the Member States.

Done at Brussels, 18 December 1975.

For the Council

The President

M. TOROS

I. COMMUNITY LOANS

At its session of 16 September 1974, the Council in dealing with the question of Community loans, considered the report from the Chairman of the Monetary Committee and from the Committee of Governors and instructed the Community authorities to complete quickly the current technical work within the guidelines laid down in the report submitted by the Chairman of the Monetary Committee. The Chairman of the Council, Mr Fourcade, also asked member governments to indicate their official reactions to the report of the Chairman of the Monetary Committee.

At its meeting of 17 September 1974, the Monetary Committee instructed the joint *ad hoc* group to continue such work as was within its competence and to secure the government reactions which the Chairman of the Council had requested. The joint *ad hoc* group of the Monetary Committee and the Committee of Governors met on 26 September 1974 and 7 October 1974 and considered all the official reactions which had been received. The Monetary Committee, at its meeting of 10 and 11 October 1974, drew up the following opinion on the basis of the government reactions and the report received from the *ad hoc* group.

II. GENERAL CHARACTERISTICS OF THE OPERATION

Bearing in mind the need to recycle the surplus funds of oil-producing countries, the Monetary Committee agreed that the general characteristics of the operation should be the following:

(a) That the Council would prefer not to engage in one massive loan operation, but rather in one or more loans of moderate size.

(b) The loan or loans would not take the form of public bond issues for general subscription, but would be placed with owners of large scale funds — principally in oil-producing countries — and possibly in part with financial intermediaries. In the present situation, loans of seven to ten years maturity would seem to be the most appropriate choice. It was felt that the technique of roll-over credits should be avoided. However, it was noted that the maturities and other characteristics of loans will depend largely on prevailing market conditions at the time of issue.

(c) The decision to issue an external loan would be taken at the initiative of any Member State in need of assistance to meet a balance of payments deficit caused chiefly by the rise in oil prices. The greatest discretion should be maintained with regard to the entire negotiating procedure in respect of each operation in order to avoid disturbances in financial markets.

(d) The Council shall maintain control over the timing and conditions of each loan operation.

III. CHOICE OF BORROWER

The various alternatives with regard to the choice of borrower were again considered. A general consensus was established on the following:

1. The Community should be the borrower.

2. The Council shall authorize each specific borrowing transaction. It would also approve each on-lending operation to the interested Member State or States and determine the economic conditions which would be an integral part of such a loan agreement.

3. (a) The negotiations on the terms of any borrowing operation with the lenders will be conducted under the auspices of the Commission, who will recommend the final conditions to the Council, subject to the advice of the Monetary Committee and the Committee of Governors. Whilst they might need to be preceded by political contacts undertaken by the Commission, these negotiations might, in practice, be conducted at the technical level jointly by the staff of the Commission and of the EIB, who would report to a very limited *ad hoc* working party. This working party would be composed of competent people nominated by the Member States, the Commission and the EIB, and would be responsible for preparing the operation for approval by the Council of Ministers.

   (b) The Commission shall negotiate with the borrowing Member States and recommend the economic conditions on which a proposed loan to a Member State is to be granted. Such conditions shall include the entire monitoring system to be established during the time-span of the loan. Subject to advice from the Monetary Committee and the Commitee of Governors, a Council Decision will then again be necessary.

The Monetary Committee proposes to look into the matter of appointing a managing agent in the near future.

IV. REPAYMENT OF LOANS

1. It is considered that only in extreme cases would a situation arise in which a borrowing Member State would find it was impossible to meet a loan commitment in foreign exchange. This applies all the more because such a situation could only arise after three or four years following the granting of a loan, during which time considerable monitoring of the situation would have taken place.

2. Upon the Council agreeing to extend a loan to a Member State through Community procedures, each non-borrowing Member State would incur a contingent liability in respect of such a loan. Such contingent liability would be represented by the obligation to provide foreign exchange to the Community to meet one or more

maturities or interest payments should the borrowing Member State be unable temporarily to meet its obligations in foreign exchange.

3. It was considered that a system be provided which would fulfil two criteria:

(a) ensure, that at any time, the servicing of the capital and the interest payments of the external debt shall be carried out by the Community;

(b) a ceiling in respect of each operation should be set on the refinancing contingent liability of each Member State.

4. The system would operate in the following way. In the event of inability by a borrowing Member State to meet all or some of its due foreign exchange payments:

(a) Temporary foreign exchange financing would be provided to the Community by each of the other Member States in the proportion which its quota in the existing short-term monetary support system bears to the total quotas of those States [1];

(b) If one or more of these States should be unable (in whole or in part) to take up their share of refinancing owing to balance of payments difficulties and/or a serious deterioration in their foreign exchange reserve positions then, subject to consultation and Community agreement, the remaining States would provide temporary facilities to the Community to cover the shortfall, again in proportion to their respective quotas, but subject to the over-riding limit that no member could be called upon to contribute more than its ceiling.

(c) Should any balance still remain to be financed after stage (b) above, Member States experiencing balance of payments difficulties and/or a deterioration in their reserve positions would still have to cover this balance in proportion to their short-term monetary support system quotas (see 5 (f) below).

(d) The ceiling for each Member State's financing contingent liability would be twice the proportion of its quota in the short-term monetary support system, expressed in percentages.

(e) It should in any case be the general rule that both in the case of original inability to pay by the borrower as well as of temporary exemptions from financing by other Member States all possible external and Community financing arrangements should first be exhausted.

5. The monitoring system should be geared to the pattern of each operation. It is, however, understood that the final rule shall be that the monitoring system during the whole period of the loan will be concerned entirely with verifying the respect by the borrowing Member State of the economic policy conditions which are an integral part of the loan agreement. The following system could be envisaged:

(a) During the grace period of a loan from the Community to a Member State when only interest charges are to be met, six-monthly monitoring of the development of the principal economic indicators, balance of payments trends, and movements in the reserve positions of the debtor State should be carried out.

(b) As the first capital repayment then approaches, a more intensive monitoring system should be operated to ensure that no problems arise with regard to payment on the due date or dates.

(c) Should it appear, however, that difficulties are likely to arise, a special examination of the debtor Member State's position shall take place at an appropriate time before each payment date.

(d) All monitoring under (a), (b) and (c) above will be carried out under the authority of the Commission in collaboration with the Monetary Committee and the Committee of Governors.

(e) During the special examination referred to in (c) above the debtor Member State will be required to demonstrate its inability to meet a payment (in whole or in part). If the special examination indicates that such inability exists, the Commission proposes to the Council to decide affirmatively upon a refinancing arrangement as described in 3 above. If there are serious doubts that such inability exists, the debtor Member State may apply to the Council, who will decide after the Commission has delivered an Opinion and the Monetary Committee and the Committee of Governors have been consulted. The decision of the Council will be taken either on a unanimous vote or qualified majority following its own decision.

(f) Any Member State wishing to be temporarily exempted (in whole or in part) from its refinancing commitments will have to state its position in the course of the same examination as referred to in (c) above, and the same procedure shall apply to its request as is applied to the original debtor State's request. The criteria by which the Community bodies will assess the case of the Member State wishing to be temporarily exempted, in whole or in part, may be less stringent than the criteria to be applied to the original debtor State, taking into account, however, the extent to which other Member States' ceilings are being approached.

(g) Should the Council agree to a refinancing procedure as described in (e) and (f) above, then it shall be considered that an emergency situation has arisen and all future procedures of monitoring of the original debtor State shall be substantially reinforced until all normal financial relationships have been re-established.

(h) It shall be the general rule that the earliest reimbursement or reinstatement should take place as soon as the relevant Member State's balance of payments and foreign exchange reserve positions have improved sufficiently.

[1] Proportions of quotas of Member Countries in the short-term monetary support system:

Germany	22·02 %,	Belgium/Luxembourg	7·34 %,
United Kingdom	22·02 %,	Netherlands	7·34 %,
France	22·02 %,	Denmark	3·30 %,
Italy	14·68 %,	Ireland	1·28 %.

V. FINAL CONSIDERATIONS

1. The Monetary Committee does not consider itself competent to pronounce on the question of whether the Community can undertake such a borrowing operation as described above on the basis of Article 235 of the Treaty of Rome. Neither does it consider itself qualified to answer all questions relating to Community budgetary and accountancy procedures.

2. Considerable discussion has taken place on whether formal recommendations should be made on the currency denomination of a first loan operation. It was, however, felt that this depended on exogenous factors and was a subject best left to the negotiating body.

At the same time it should be pointed out that the denomination of the first loan does not imply that subsequent loans shall be denominated in the same way and in this context the desirability of eventually reaching a Community denomination should be kept in mind.

3. The Monetary Committee believes that borrowing operations by the Community, provided they are not of excessive size, should be realizable. It feels that apart from the engagement of the Community, what would be required would be public statements to the effect that the Council had reached such a decision unanimously and that arrangements had been made internally within the Community to take care of all payment contingencies.

REGULATION (EEC) No 397/75 OF THE COUNCIL

of 17 February 1975

concerning Community loans

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;

Whereas the considerable changes in the terms of international trade have produced a deterioration in the balance of payments of the Member States of the Community;

Whereas the effects of this deterioration will vary from one Member State to another and may thereby compromise the proper operation of the common market;

Whereas the Community should accordingly contribute to the financing required by this situation, and to this end itself borrow funds to be put at the disposal of Member States whose balance of payments is affected by the increase in the price of petroleum products, in the form of loans having identical financial characteristics;

Whereas, moreover, intervention by the Community as such is likely to contribute to a stabilization of capital movements due to the increase in the price of petroleum products, to the benefit of the whole international community;

Whereas each loan to a Member State must be conditional upon the adoption by that Member State of economic policy measures designed to redress its balance of payments;

Whereas it follows from the foregoing that transactions of this type are necessary to attain the objectives of the Community as defined in the Treaty, and in particular the harmonious development of economic activities throughout the Community;

Whereas the Treaty makes no provision for the powers of action required for this purpose,

HAS ADOPTED THIS REGULATION:

Article 1

The Community may undertake a series of operations to raise funds, either directly from third countries and financial institutions, or on the capital markets, with the sole aim of re-lending those funds to one or more Member States in balance of payments difficulties caused by the increase in prices of petroleum products.

Article 2

The opening of the negotiations necessary for each loan transaction shall be authorized by the Council on the initiative of one or more Member States. The decision to open negotiations shall also lay down the procedures for those negotiations.

In the light of the outcome of those negotiations, the Council shall decide on what terms each loan agreement is to be concluded. The average period for which funds are borrowed shall not be less than five years.

Article 3

The Council shall decide on the principle and the terms of loans to be granted to one or more Member States and on the economic policy conditions to be fulfilled by each beneficiary Member State in order to redress its balance of payments.

The funds shall be paid only into central banks and shall be used only for the purposes indicated in Article 1.

Article 4

The operations of borrowing and lending referred to in Article 1 shall be expressed in the same currency and carried out on the same terms with respect to repayment of the principal and payment of interest. The costs incurred by the Community in concluding and carrying out each operation shall be borne by the beneficiary Member State concerned.

Article 5

The loan operations authorized by this Regulation shall be limited to the equivalent in European monetary units of account of 3 000 million US dollars in principal and interest payments.

Article 6

The guarantees designed to ensure that the loans referred to in Article 1 are serviced and repaid in all circumstances shall not exceed the following percentages applied to the total amount of the loan in principal and interest:

	%
Germany	44·04
United Kingdom	44·04
France	44·04
Italy	29·36
Belgium/Luxembourg	14·68
Netherlands	14·68

Denmark	6·60 %
Ireland	2·56 %

Article 7

The Council shall lay down detailed rules for the implementation of this Regulation.

Article 8

The measures referred to in Articles 2, 3 and 7 shall be adopted by the Council acting unanimously on a proposal from the Commission, which shall consult the Monetary Committee on the matter.

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

Done at Brussels, 17 February 1975.

For the Council

The President

R. RYAN

REGULATION (EEC) No 398/75 OF THE COUNCIL

of 17 February 1975

implementing Regulation (EEC) No 397/75 concerning Community loans

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 397/75 (1) of 17 February 1975 concerning Community loans, and in particular Article 7 thereof;

Having regard to the proposal from the Commission, which has for this purpose consulted the Monetary Committee;

Whereas Regulation (EEC) No 397/75 provides that the Community shall, where necessary, undertake operations to raise funds to re-lend to one or more Member States in balance of payments difficulties due to the increase in the price of petroleum products;

Whereas, in order to ensure that the Community debt is at all times duly serviced, as regards both capital and interest, it is essential to define the conditions under which the Community shall be entitled to receive from the other Member States the necessary foreign exchange if the debtor Member State finds itself unable to make payment on one or more due dates;

Whereas a procedure must be provided for examining both the circumstances preventing a debtor Member State from meeting its obligations in respect of the debt and those in which a Member State might be exempted from the arrangements for the Member States to provide the Community with the foreign exchange due from the debtor Member State,

HAS ADOPTED THIS REGULATION:

Article 1

Where it is found, pursuant to the procedure laid down in Article 6, that a Member State which has received a loan from the Community is wholly or partially unable to provide the necessary foreign exchange to make a payment falling due in respect of such loan, the other Member States shall be under an obligation to provide the Community with this foreign exchange in the proportions specified in Article 2.

Article 2

The allocation among the Member States of the foreign exchange to be provided by them pursuant to Article 1 shall be calculated by applying, in the manner set out in this Article, the following scale:

	%
Germany	22·02
United Kingdom	22·02
France	22·02
Italy	14·68
Belgium/Luxembourg	7·34
Netherlands	7·34
Denmark	3·30
Ireland	1·28

This scale shall be applied by dividing the total financing requirement among the other Member States in the above proportions without taking account of the debtor Member State's quota.

Article 3

Where, pursuant to the procedure laid down in Article 7, one or more Member States are temporarily exempted in whole or in part from the obligation to provide the Community with foreign exchange due from the debtor Member State, the scale laid down in Article 2 shall be applied without taking account of the quotas of those Member States, to the extent that they have been exempted.

Article 4

1. However, no Member State may be required to provide the Community with a total amount of foreign exchange which exceeds the percentage laid down in Article 6 of Regulation (EEC) No 397/75 applied to the total amount of the basic loan plus interest.

2. If this limit is reached and there remains a balance to be financed, the balance shall only be divided, in accordance with the scale laid down in Article 2, among the Member States other than the Member State which has received the loan which otherwise would have been temporarily exempted in whole or in part from participating in the operation; for the Member States only partially exempted, the percentage allotted to them in the scale laid down in Article 2 shall be reduced by the percentage taken into account in calculating their share of the allocation which left the balance to be financed.

Article 5

Member States which have provided foreign exchange pursuant to Articles 2 to 4 shall *ipso facto* acquire a claim against the Community for the foreign exchange provided.

Any outstanding sums shall bear interest at the rate set out in the original loan, subject to a decision taken by the Council by a qualified majority to amend this rate.

(1) OJ No. L 46, 20.2.1975, p. 12.

Article 6

1. When a Member State receives a loan from the Community, the Commission, in collaboration with the Monetary Committee, shall take the necessary measures to verify that the economic policy of this State accords with the conditions laid down by the Council pursuant to Article 3 of Regulation (EEC) No 397/75. Subject to any arrangements which may be made in connection with individual loans, this verification shall take place at regular and frequent intervals. To this end, the Member State shall place all the necessary information at the disposal of the Commission.

2. This surveillance shall be closer as the date for the first repayment approaches, or if recourse is had to the re-financing arrangements provided for in Articles 2 to 4.

3. Should it appear that difficulties may arise in making a payment on the due date, the Commission, in collaboration with the Monetary Committee and the Committee of the Governors of the Central Banks shall, sufficiently in advance of the due date, make a special examination of the situation. This examination shall be concerned in particular with the financing arrangements available to the debtor Member State both inside and outside the Community.

4. If this examination indicates that the debtor Member State will be partly or wholly unable to make payment on the due date, the Commission shall propose that the Council, by a unanimous decision, implement the re-financing arrangements described in Articles 2 to 4.

If the examination raises serious doubts as regards the debtor Member State's alleged incapacity to pay, the Commission shall make a report to the Council which may include a proposal that it implement the re-financing arrangements. In the absence of such a proposal, the debtor Member State may make application to the Council. The Council shall take a unanimous decision after consulting the Monetary Committee and the Committee of the Governors of the Central Banks.

Article 7

Any Member State which wishes to be temporarily exempted in whole or in part from participating in any re-financing arrangements owing to balance of payments difficulties or serious deterioration in its foreign exchange reserves shall make known its reasons at the examination provided for in Article 6 (3). The procedure provided for in Article 6 (4) shall apply to such request.

Article 8

In any event, both in the case of a debtor Member State being unable to pay, as envisaged in Article 1, and in the case of other Member States being temporarily exempted in whole or in part from contributing, as envisaged in Article 3, all possibilities open to the Member States concerned for obtaining finance either inside or outside the Community must first have been exhausted before recourse is had to the re-financing arrangements provided for in Articles 2 to 4.

Article 9

Any Member State which has been temporarily exempted in whole or in part, whether as regards a payment due from it or as regards participation in re-financing arrangements, shall be under an obligation to make payment or to provide its share to the Community as soon as its balance of payments situation and foreign exchange reserves so permit.

Article 10

The European Monetary Cooperation Fund shall make the necessary arrangements for the administration of the loans.

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

Done at Brussels, 17 February 1975.

For the Council

The President

R. RYAN

COUNCIL DECISION

of 15 March 1976

concerning a Community loan in favour of the Italian Republic and of Ireland

(76/322/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 397/75 of 17 February 1975 concerning Community loans (1), and in particular the second paragraph of Article 2, and Article 3 thereof,

Having regard to the proposal from the Commission, which has for this purpose consulted the Monatary Committee,

Whereas the Italian Republic and Ireland have each requested a Community loan under Council Regulation (EEC) No 397/75;

Whereas the conditions laid down by the abovementioned Regulation for these two Member States to be eligible to receive a Community loan are fulfilled;

Whereas the negotiations opened with the authorization of the Council have resulted in a package of loan agreements comprising for one part three issues of bonds and notes underwritten by syndicates of banks, two of which are for a total sum of US $ 800 million and one of DM 500 million, and for the other part a variable interest bank loan amounting to US $ 300 million; whereas these loans have a variable life, the average being over five years; whereas the Commission should be authorized to conclude these agreements on behalf of the Community;

Whereas the conditions of the loan from the Community to the Italian Republic and Ireland must correspond to those of the loan concluded by the Community so that the Community shall not have to bear loss, expenditure or other cost arising out of the financial operations consequent upon it;

Whereas since the terms of each of the four loans to the Community are not identical the amount raised by each loan should be divided between the two Member States; whereas this division, taking into account the amounts they have respectively requested, shall be made in the proportions ten-thirteenths for the Italian Republic and three-thirteenths for Ireland,

HAS ADOPTED THIS DECISION:

Article 1

The Commission shall be authorized to conclude, on behalf of the Community, the following loan contracts, which form a package, and to subscribe and execute all appropriate documents in that connection.

1. A public issue of bonds denominated in US dollars underwritten by a syndicate of banks on the following major terms:

Form of loan:	bearer bonds for US $ 1 000 each,
Total amount:	US $ 300 million,
Redemption:	at par after six years,
Payment of interest:	annually,
Leading bank:	Deutsche Bank AG.

The rate of interest and issue price will be fixed by agreement between the Commission and the lenders at the best market rates on the date of issue.

2. A public issue of bonds denominated in Deutsch marks underwritten by a syndicate of banks on the following major terms:

Form of loan:	bearer bonds for DM 1 000 each,
Total amount:	DM 500 million,
Redemption:	at par after seven years,
Payment of interest:	annually,
Leading bank:	Deutsche Bank AG.

The rate of interest and issue price will be fixed by agreement between the Commission and the lenders at the best market rates on the date of issue.

3. A private agreement for a loan in US dollars with a syndicate of banks on the following major terms:

Form of loan:	notes in dollars,
Total amount:	US $ 500 million,
Redemption:	at three years and seven months at the earliest and at the latest four years,
Payment of interest:	annually,
Leading bank:	Deutsche Bank AG.

The rate of interest and issue price will be fixed by agreement between the Commission and the lenders at the best market rates on the date of issue.

(1) OJ No L 46, 20. 2. 1975, p. 1.

4. An agreement for a loan in US dollars with a syndicate of banks on the following major terms:

Form of loan:	a single indivisible loan contract,
Total amount:	$ 300 million to be made available within four weeks from signature of the contract in three instalments each of $ 100 million with five business days between each instalment,
Life:	five years,
Redemption:	in one sum at the end of the loan's life with an option for earlier redemption,
Interest rate:	variable rate of interest calculated at one point over average London interbank rate for dollar deposits for the same term using steps of three months or six months at the Community's option.
Payment of interest:	Quarterly or half yearly according to when the interest rate changes,
Leading banks:	European Banking Company. Orion Bank Limited. Banque de la Société financière européenne. Europartners Bank (Nederland) N.V. Morgan Guaranty Trust Company of New York.

Article 2

The Community shall grant to the Italian Republic a loan corresponding to ten-thirteenths of the sum raised by each of the borrowing transactions carried out under the terms of Article 1 and in the same currencies and on the same terms as the said transactions.

The amount of the loan shall be paid to the Banca d'Italia.

The Commission shall be authorized to conclude the loan agreement on behalf of the Community.

Article 3

The Italian Republic shall bear proportionally all losses of interest, commission and other outlays which the Community may incur as a result of the financial operations involved in the conduct and administration of the Community loans and the whole of the losses, commission and other outlays arising from the operation and management of the loan to Italy.

Article 4

The loan to the Italian Republic shall be subject to the economic policy conditions laid down in Decision 76/324/EEC (1).

Article 5

The Community shall grant to Ireland a loan equal to three-thirteenths of the sum raised by each of the borrowing transactions carried out under Article 1 and in the same currencies and on the same terms as the said transactions.

The amount of the loan shall be paid to the Central Bank of Ireland.

The Commission shall be authorized to conclude the loan agreement on behalf of the Community.

Article 6

Ireland shall bear proportionally all losses of interest, commission and other outlays which the Community may incur as a result of the financial operations involved in the conduct and administration of the Community loans and the whole of the losses, commission and other outlays arising from the operation and management of the loan to Ireland.

Article 7

The loan to Ireland shall be subject to the economic policy conditions laid down in Decision 76/323/EEC (2).

Article 8

The financial operations concerning both the loans concluded by the Community and the loans granted to the Italian Republic and Ireland shall be carried out by the European Monetary Cooperation Fund.

Article 9

This Decision is addressed to the Member States.

Done at Brussels, 15 March 1976.

For the Council

The President

R. VOUEL

(1) OJ No. L 77, 24.3.1976, p. 16.
(2) OJ No. L 77, 24.3.1976, p. 15.

COUNCIL DECISION

of 15 March 1976

fixing the economic policy conditions to be observed by Ireland

(76/323/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 397/75 of 17 February 1975 concerning Community loans (1), and in particular Article 3 thereof,

Having regard to the proposal from the Commission, which has for this purpose consulted the Monetary Committee,

Whereas by Decision 76/322/EEC (2), the Council authorized the Commission to conclude four loan transactions under Regulation (EEC) No 397/75, the amount of which is intended for loans granted by the same Decision to two Member States, one of which is Ireland;

Whereas in accordance with Article 3 of Regulation (EEC) No 397/75, the loan to Ireland shall be subject to economic policy conditions in order that this Member State may redress its balance of payments,

HAS ADOPTED THIS DECISION:

Article 1

The loan granted to Ireland by Decision 76/322/EEC shall be subject to the following conditions relating to the economic policy measures to be taken by that Member State:

(a) growth in the central government borrowing requirement, expressed as a percentage of gross national product, should be halted in 1976 and should be reduced in subsequent years;

(b) every effort shall be made to finance the largest possible proportion of public sector borrowing requirements by non-monetary means, such as by placing long-term securities directly with the public;

(c) the Irish authorities shall exercise the utmost caution to avoid any relaxation of its monetary policy for the purpose of meeting both the borrowing requirement of the exchequer and the demand for credit in the private sector, were the latter to expand more rapidly than at present foreseen.

Article 2

This Decision is addressed to Ireland.

Done at Brussels, 15 March 1976.

For the Council

The President

R. VOUEL

(1) OJ No. L 46, 20.2.1975, p. 1.
(2) OJ No. L 77, 24.3.1976, p. 12-13-14.

COUNCIL DECISION

of 15 March 1976

fixing the economic policy conditions to be observed by the Italian Republic

(76/324/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 397/75 of 17 February 1975 relating to Community loans [1], and in particular Article 3 thereof,

Having regard to the proposal submitted by the Commission which has for this purpose consulted the Monetary Committee,

Whereas by Decision 76/322/EEC [2], the Council authorized the Commission to conclude four borrowing operations under Regulation (EEC) No 397/75, the amount of which is intended for loans granted under that Decision to two Member States one of which is the Italian Republic;

Whereas in accordance with Article 3 of Regulation (EEC) No 397/75 the loan to the Italian Republic must be subject to economic policy conditions permitting an improvement in the balance of payments of that Member State;

Whereas since monetary and budgetary policy cannot alone ensure the return to internal and external equilibrium, these should be accompanied by a moderation in the rate of increase of incomes;

Whereas the Italian authorities have declared that they will not, unilaterally, take any measure of a commercial or financial nature to restrict import or subsidize exports,

HAS ADOPTED THIS DECISION:

Article 1

The loan granted to the Italian Republic by Decision 76/322/EEC shall be subject to the following conditions concerning the economic policy measures to be taken by that Member State.

Article 2

1. The following conditions shall be observed during 1976:

(a) total central government expenditure must be limited to Lit 39 700 000 million in the 1976 calendar year;

(b) the deficit on treasury transactions, as defined in Article 6 (3) of Directive 74/637/EEC [3], must not exceed Lit 13 800 000 million, through an increase in taxation, if necessary;

(c) the financing of the deficit on treasury transactions by the monetary authorities must be limited, if necessary by legislative means, to Lit 5 700 000 million in the 1976 calendar year;

(d) the growth in total lending, as defined in Article 6 (1) of Directive 74/637/EEC, must not exceed Lit 29 500 000 million in the 1976 calendar year.

2. The Council, acting on a proposal from the Commission, shall in good time fix the conditions to be observed for the subsequent years of the loan period.

Article 3

The Italian Government shall make all possible efforts to keep the rise in incomes within limits compatible with the internal and external equilibrium of the economy.

Article 4

The conditions fixed in Article 2 shall amend, to the extent that they differ from, the conditions provided for in Directive 75/784/EEC [4].

Article 5

Before the end of April 1976 intermediate objectives shall be established by agreement between the Italian authorities and the Commission in relation to the measures laid down in Article 2, except for that set out in Article 2 (1) (b).

Article 6

This Decision is addressed to the Italian Republic.

Done at Brussels, 15 March 1976.

For the Council

The President

R. VOUEL

[1] OJ No. L 46, 20.2.1975, p. 1.
[2] OJ No. L 77, 24.3.1976, p. 12-13-14.
[3] OJ No L 341, 20. 12. 1974, p. 51.
[4] OJ No L 330, 24. 12. 1975, p. 48.

VI

Coordination of economic policies (including liquidity and credit policies)

COUNCIL DECISION

of 18 December 1975

on an amendment to the timetable for the preparation of the annual report on the economic situation in the Community

(75/787/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 103 and 145 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament (1);

Having regard to the Opinion of the Economic and Social Committee (2);

Whereas Council Decision 74/120/EEC (3) of 18 February 1974 on the attainment of a high degree of convergence of the economic policies of the Member States of the European Economic Community, provided that the Council should hold three meetings yearly to examine the economic situation, the third towards the end of the third quarter, at which an annual report on the economic situation in the Community should be adopted;

Whereas experience has shown that because of the inadequacy of available statistics, the third quarter of the year is too early to review the economic policy — and particularly budgetary — guidelines adopted pursuant to Article 3 of the said Decision;

Whereas appropriate adjustments of the timetable for preparing the annual report on the economic situation of the Community would make it possible both to use new and adequate information and to adopt the annual report early enough for the national Parliaments to take it into account in budget debates,

HAS ADOPTED THIS DECISION:

Article 1

The first sentence of Article 4 of Decision 74/120/EEC shall be replaced by the following: 'A third examination shall take place during the fourth quarter'.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 18 December 1975.

For the Council

The President

M. TOROS

(1) OJ No C 239, 20. 10. 1975, p. 23.
(2) Opinion delivered on 30. 10. 1975 (not yet published in the Official Journal).
(3) OJ No L 63, 5. 3. 1974, p. 16.

VIII

Agricultural unit of account

REGULATION (EEC) No 2543/73 OF THE COUNCIL

of 19 September 1973

amending Regulation No 129 on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 28, 43 and 235 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas Council Regulation No 129 (1), amended by Regulation (EEC) No 653/68 (2) fixed the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy; whereas Article 3 (1) of this Regulation enables derogations to be made therefrom; whereas, in view of the urgency of the measures to be adopted, it is necessary to establish a simpler procedure than that which exists at present;

HAS ADOPTED THIS REGULATION:

Article 1

The first part of Article 3 (1) of Regulation No 129 shall be replaced by the following text:

'Where monetary practices of an exceptional nature are likely to jeopardize the implementation of the instruments or provisions referred to in Article 1, the Council, acting by a qualified majority on a proposal from the Commission, or the Commission, acting within its powers under those instruments or provisions and in accordance with the procedures laid down therein for each individual case, may, after consulting the Monetary Committee, make derogations from this Regulation, in particular in the following cases:'.

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

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

Done at Brussels, 19 September 1973.

For the Council

The President

I. NØRGAARD

(1) OJ No 106, 30. 10. 1962, p. 2553/62.
(2) OJ No L 123, 31. 5. 1968, p. 4.

REGULATION (EEC) No 2497/74 OF THE COUNCIL

of 2 October 1974

supplementing Regulation (EEC) No 974/71 on certain measures of conjunctural policy to be taken in agriculture following the temporary widening of the margins of fluctuation for the currencies of certain Member States

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 28, 43 and 235 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas, under Article 4a (2) of Regulation (EEC) No 974/71, in trade between the Member States and with third countries, the compensatory amounts applicable due to the decrease in value of the currency concerned may not be higher than the charge on products imported from third countries;

Whereas difficulties have arisen as a result of applying this rule; whereas its application has caused deflection of trade and distortion of competition; whereas, moreover, the situation on the world market differs considerably from that existing when the rule in question was introduced; whereas in these circumstances it appears desirable to suspend its application;

Whereas, bearing in mind the particularly difficult situation existing at present for producers of beef and veal in Ireland, certain measures to improve the income of such producers should be taken; whereas this objective may be attained by providing for the temporary reduction of the compensatory amounts applicable to the export of certain products from Ireland to third countries; whereas, therefore, Article 2 of Council Regulation (EEC) No 974/71 (1) of 12 May 1971 on certain measures of conjunctural policy to be taken in agriculture following the temporary widening of the margins of fluctuations for the currencies of certain Member States, as last amended by Regulation (EEC) No 3450/73 (2), should be supplemented accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

With effect from 21 October 1974 the application of Article 4a (2) of Regulation (EEC) No 974/71 shall be suspended.

The Council, acting on a proposal from the Commission in accordance with the voting procedure under Article 43 (2) of the Treaty, may decide that the application of this provision, in part or in whole, shall be reintroduced.

Article 2

The following subparagraph is added to Article 2 (1) (b) of Regulation (EEC) No 974/71:

'However, this average shall be reduced by one point for the purposes of the calculation of the compensatory amount applicable until 28 February 1975 to the export from Ireland to third countries of products in the beef and veal sector.'

Article 3

The following shall be repealed:

(a) Council Regulation (EEC) No 885/73 (3) of 31 March 1973 on the non-application of the first subparagraph of Article 4a (2) of Regulation (EEC) No 974/71 to sugar; and

(b) Council Regulation (EEC) No 1695/73 (4) of 25 June 1973 determining to what extent the monetary compensatory amounts applicable to beef and veal by reason of the depreciation of a currency may be higher than the charge on imports from third countries.

Article 4

This Regulation shall enter into force on 7 October 1974.

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

Done at Luxembourg, 2 October 1974.

For the Council

The President

Ch. BONNET

(1) OJ No L 106, 12. 5. 1971, p. 1.
(2) OJ No L 353, 22. 12. 1973, p. 25.
(3) OJ No L 86, 31. 3. 1973, p. 35.
(4) OJ No L 173, 28. 6. 1973, p. 1.

REGULATION (EEC) No 3259/74 OF THE COUNCIL

of 19 December 1974

amending Regulation (EEC) No 974/71 on certain measures of conjunctural policy to be taken in agriculture following the temporary widening of the margins of fluctuation for the currencies of certain Member States

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 28, 43, 209 and 235 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas Article 4a (1) of Council Regulation (EEC) No 974/71 (1) of 12 May 1971 on certain measures of conjunctural policy to be taken in agriculture following the temporary widening of the margins of fluctuation for the currencies of certain Member States, as last amended by Regulation (EEC) No 2497/74 (2), provides that in trade with third countries compensatory amounts granted to imports shall be deducted from the import charge and those charged on exports shall be deducted from the export refund; whereas, in cases where at the time of exporting no refund is applicable or the monetary compensatory amount to be levied is higher than the refund, that part of the monetary compensatory amount which exceeds the refund, or the full monetary compensatory amount, as the case may be, shall be payable on completion of customs export formalities in accordance with Article 6 (1) of Commission Regulation (EEC) No 1463/73 (3) of 30 May 1973 laying down detailed rules for the application of monetary compensatory amounts, as last amended by Regulation (EEC) No 350/74 (4);

Whereas the application of Article 4a (1) has proved difficult from an administrative point of view; whereas, although the import charge may generally be reduced, the deduction of compensatory amounts from the export refund prove difficult where the granting of the refund and the levying of the compensatory amount are not effected by one and the same national body and where the exact amount of the refund is unknown at the time of completion of customs formalities;

Whereas this difficulty may be avoided by authorizing Member States not to follow the procedure referred to in Article 4 (1) (b) of Regulation (EEC) No 974/71 for individual transactions but to use an aggregate method which does not interfere with the accounting procedure used up to now;

Whereas, for the financial year 1973, a lump-sum arrangement should be adopted in respect of Italy,

HAS ADOPTED THIS REGULATION:

Article 1

1. The following subparagraphs are hereby added to Article 4a (1) of Regulation (EEC) No 974/71:

'The Member States concerned may, however, decide not to apply the provisions contained under point (b) of the preceding subparagraph. Member States availing themselves of the right referred to in the second subparagraph shall, by an aggregate method to be adopted, determine the total amount of the monetary compensatory amounts which pursuant to the first subparagraph should have been deducted from the refunds. For accounting purposes within the context of the budget of the European Communities:

— this total amount shall be considered to have been deducted from the refunds,

— any excess over the sum of the refunds shall be considered to be a monetary compensatory amount levied on exports.

Detailed rules for the application of the preceding subparagraph shall be adopted in accordance with the procedure laid down in Article 13 of Council Regulation (EEC) No 729/70 (5) of 21 April 1970 on the financing of the common agricultural policy, as last amended by Regulation (EEC) No 2788/72 (6).'

2. For the financial year 1973 the amount to be deducted from the refunds declared by Italy shall be

(1) OJ No L 106, 12. 5. 1971, p. 1.
(2) OJ No L 268, 3. 10. 1974, p. 5.
(3) OJ No L 146, 4. 6. 1973, p. 1.
(4) OJ No L 41, 13. 2. 1974, p. 9.

(5) OJ No L 94, 28. 4. 1970, p. 13.
(6) OJ No L 295, 30. 12. 1972, p. 1.

5 890 000 units of account. This amount shall be divided as follows:

— cereals	1 690 000 u.a.,
— milk products	2 240 000 u.a.,
— pigmeat	1 120 000 u.a.,
— agricultural products processed into goods not set out in Annex II to the EEC Treaty	80 000 u.a.

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities.*

It shall apply with effect from 1 February 1975.

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

Done at Brussels, 19 December 1974.

For the Council

The President

J. P. FOURCADE

COUNCIL REGULATION (EEC) No 557/76

of 15 March 1976

on the exchange rates to be applied in agriculture and repealing Regulation (EEC) No 475/75

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 28, 43 and 235 thereof,

Having regard to Council Regulation No 129 on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy (1), as last amended by Regulation (EEC) No 2543/73 (2), and in particular Article 3 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (3),

Having regard to the opinion of the Economic and Social Committee (4),

Whereas the situation referred to in Article 3 (1) of Regulation No 129, in respect of which derogations may be made from the principle of using parities for converting one currency into another, now obtains in various Member States;

Whereas it has been possible to solve the problems posed by such a situation by applying monetary compensatory amounts and representative conversion rates for the purposes of the common agricultural policy; whereas this arrangement leads to divergent price levels in the Member States concerned; whereas, however, in order to prevent the maintenance of unchanged rates for the common agricultural policy from leading to an increase in the difference between price-levels expressed in national currencies when prices are increased, and in view of the fact that certain adjustments may be made to the rates to adapt them to the real economic situations in the Member States, representative rates for the currencies of the Member States concerned should be fixed at levels more closely related to the actual economic situation; whereas at the same time all these representative rates should be re-published in a new text;

Whereas the impact of this measure on the economies of the Member States concerned should be moderated as far as possible; whereas, for this reason, the new rates should be applied within a reasonable period, coinciding if possible with the beginning of the marketing year or with a change in prices;

Whereas it is possible to reduce still further the effects of the compensatory amounts on Member States with depreciated currencies; whereas to this end changes should be made to Article 2 (1) (b) of Council Regulation (EEC) No 974/71 of 12 May 1971 on certain measures of conjunctural policy to be taken in agriculture following the temporary widening of the margins of fluctuation of the currencies of certain Member States (5), as last amended by Regulation (EEC) No 475/75 (6);

Whereas to fix such a representative rate would lead to an adjustment of agricultural prices; whereas the problems raised by the modification of exchange rates are the subject of Community provisions, in particular Council Regulation (EEC) No 1134/68 of 30 July 1968 laying down rules for the implementation of Regulation (EEC) No 653/68 on conditions for alterations to the value of the unit of account used for the common agricultural policy (7); whereas these provisions only cover the case of a change in the parity of a currency; whereas they should also be applied in this case; whereas, however, in so far as the parties concerned may request the cancellation of documents or certificates, such application would be justified only if they are placed at a disadvantage as a result of the fixing of the new representative rates;

Whereas the Monetary Committee will be consulted; whereas, in view of the urgency, the measures envisaged should be adopted in accordance with the conditions laid down in Article 3 (2) of Regulation No 129,

HAS ADOPTED THIS REGULATION:

Article 1

1. Where transactions to be carried out in pursuance of instruments relating to the common agricultural

(1) OJ No 106, 30. 10. 1962, p. 2553/62.
(2) OJ No L 263, 19. 9. 1973, p. 1.
(3) OJ No C 53, 8. 3. 1976, p. 24.
(4) OJ No C 50, 4. 3. 1976, p. 19.
(5) OJ No L 106, 12. 5. 1971, p. 1.
(6) OJ No L 52, 28. 2. 1975, p. 28.
(7) OJ No L 188, 1. 8. 1968, p. 1.

policy, or specific rules laid down by virtue of Article 235 of the Treaty, require the currencies referred to in Article 2 to be expressed in another currency or in units of account, the rate of exchange shall, in derogation from Article 2 (1) of Regulation No 129, be that corresponding to the representative rate for that currency.

2. The representative rate shall cease to be applicable for the currency of a Member State at such time as that State declares a new parity to the International Monetary Fund.

Article 2

1. The representative rate referred to in Article 1 shall be:

(a) for the Belgian franc and the Luxembourg franc: Bfr/Lfr 1 = 0·0202640 unit of account;

(b) for the Danish kroner: Dkr 1 = 0·131956 unit of account;

(c) for the German mark: DM 1 = 0·287287 unit of account;

(d) for the French franc: FF 1 = 0·180044 unit of account;

(e) for the Irish pound: £1 Irish = 1·69653 units of account;

(f) for the Italian lira: Lit 100 = 0·110497 unit of account;

(g) for the Dutch guilder: Fl 1 = 0·293884 unit of account;

(h) for the pound sterling: £ 1 = 1·75560 units of account.

2. The new representative rates shall be applicable from:

(a) 1 August 1976 for eggs, poultry and ovalbumin and lactalbumin;

(b) 16 December 1976 for wine;

(c) 1 January 1977 for fishery products;

(d) the beginning of the 1976/77 marketing year for the other products for which the marketing year has not commenced on the date of entry into force of this Regulation;

(e) 15 March 1976 in all other cases.

Article 3

1. Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75 (1), as amended by Regulation (EEC) No 3058/75 (2), or in the corresponding Articles of the other Acts concerning agriculture establishing similar procedures or, if necessary, by derogation from the rules governing the fixing of prices laid down in the relevant regulations where and so long as strictly necessary to take account of this Regulation.

2. As regards the amounts fixed in units of account which are not connected with the fixing of prices, the arrangements referred to in paragraph 1 above may consist of an increase of 2·81%.

Article 4

In Article 2 (1) (b), last subparagraph, of Regulation (EEC) No 974/71, the figure 1·25 is replaced by 1·50 with effect from 15 March 1976.

Article 5

1. The provisions of Regulation (EEC) No 1134/68 in respect of an alteration of the relationship between the parity of the currency of a Member State and the value of the unit of account shall apply.

2. However, Article 4 (1), second subparagraph, of Regulation (EEC) No 1134/68 shall apply only if the application of the new representative rates is disadvantageous for the party concerned.

Article 6

The provisions of Council Regulation (EEC) No 475/75 of 27 February 1975 on the exchange rates to be applied in agriculture, as last amended by Regulation (EEC) No 2638/75 (3), shall cease to be applicable for a given sector on the date on which the provisions of this Regulation become applicable to that sector.

Article 7

Article 2 of Council Regulation (EEC) No 675/75 of 4 March 1975 fixing for the 1975 harvest the amounts

(1) OJ No L 281, 1. 11. 1975, p. 1.
(2) OJ No L 306, 26. 11. 1975, p. 3.
(3) OJ No L 269, 18. 10. 1975, p. 1.

of the premium granted to purchasers of leaf tobacco [1] shall be replaced by the following:

'The exchange rate to be applied to the premiums for the 1975 tobacco harvest shall be:

— as from 1 January 1976 in Germany and in the Benelux countries, the representative rate in force before 3 March 1975,

— in France, the representative rate in force before 15 March 1976.'

Article 8

This Regulation shall enter into force on 15 March 1976.

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

Done at Brussels, 15 March 1976.

For the Council

The President

R. VOUEL

(1) OJ No L 72, 20. 3. 1975, p. 37.

COUNCIL REGULATION (EEC) No 650/76

of 24 March 1976

amending the rate of exchange to be applied to the French franc in the agricultural sector

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation No 129 on the value of the unit of account and the exchange rates to be applied within the framework of the common agricultural policy (1), as last amended by Regulation (EEC) No 2543/73 (2), and in particular Article 3 thereof,

Having regard to the proposal from the Commission,

Whereas Council Regulation (EEC) No 557/76 of 15 March 1976 on the exchange rate to be applied in the agricultural sector and repealing Regulation (EEC) No 475/75 (3), introduced a representative rate for the French franc to take effect in principle at the beginning of the marketing year for the various agricultural products and, in certain cases, from 15 March 1976; whereas the movement of the French franc shows that it is necessary to revert to the representative rate valid for that currency before that date;

Whereas Article 7 of Regulation (EEC) No 557/76 provides for a special measure in view of the fact that the new representative rate may, in certain circumstances, result in a reduction in terms of the national currency of amounts fixed in units of account; whereas that special measure is no longer necessary if the old representative rate is restored;

Whereas the Monetary Committee will be consulted; whereas, in view of the urgency of the matter, the proposed measures should be adopted under the conditions laid down in Article 3 (2) of Regulation No 129,

HAS ADOPTED THIS REGULATION:

Article 1

In Article 2 (1) of Regulation (EEC) No 557/76, subparagraph (d) is replaced by the following:

'(d) for the French franc:

FF 1 = 0·177520 unit of account;'.

Article 2

The text of Article 2 of Council Regulation (EEC) No 675/75 of 4 March 1975 fixing for the 1975 harvest the amount of the premium granted to purchasers of leaf tobacco (4), as amended by Regulation (EEC) No 557/76, shall be replaced by the following:

'As from 1 January 1976, the exchange rate to be applied in Germany and the Benelux countries to the premiums for the 1975 tobacco harvest shall be that in force before 3 March 1975.'

Article 3

1. This Regulation shall enter into force on 25 March 1976.

2. For the application of this Regulation the date '25 March 1976' shall replace '15 March 1976' referred to in Article 2 (2) (e) of Regulation (EEC) No 557/76.

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

Done at Brussels, 24 March 1976.

For the Council

The President

G. THORN

(1) OJ No 106, 30. 10. 1962, p. 2553/62.

(2) OJ No L 263, 19. 9. 1973, p. 1.

(3) OJ No L 67, 15. 3. 1976, p. 1.

(4) OJ No L 72, 20. 3. 1975, p. 37.

IX
European unit of account

COUNCIL DECISION

of 21 April 1975

on the definition and conversion of the European unit of account used for expressing the amounts of aid mentioned in Article 42 of the ACP-EEC convention of Lomé

(75/250/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the recommendation of the Commission;

Having regard to the report of the Monetary Committee;

Whereas at the signing of the ACP-EEC convention of Lomé on 28 February 1975, the Community declared that the Council would have to define the European unit of account to be used for expressing the amounts of aid mentioned in Article 42 of the said convention;

Whereas the unit of account has been established on the basis of an initial value equivalent to the value fixed by the International Monetary Fund on 28 June 1974 for the special drawing right;

Whereas the unit of account should represent the average of any changes in the value of the currencies of the Member States of the Community,

HEREBY DECIDES:

Article 1

The amounts of aid mentioned in Article 42 of the ACP-EEC convention of Lomé shall be expressed in a unit of account, defined as the sum of the following amounts in the currencies of the Member States of the Community:

German mark	0·828
Pound sterling	0·0885
French franc	1·15
Italian lira	109
Dutch guilder	0·286
Belgian franc	3·66
Luxembourg franc	0·14
Danish krone	0·217
Irish pound	0·00759

Article 2

The value of the unit of account in any given currency shall be equal to the sum of the equivalent in that currency of the amounts of currency referred to in Article 1. It shall be calculated by the Commission using daily market exchange rates.

The daily values of the unit of account in the various national currencies shall be made available every day and shall be published periodically in the *Official Journal of the European Communities*.

Done at Luxembourg, 21 April 1975.

For the Council

The President

R. RYAN

DECISION No 3289/75/ECSC OF THE COMMISSION

of 18 December 1975

on the definition and conversion of the unit of account to be used in decisions, recommendations, opinions and communications for the purposes of the Treaty establishing the European Coal and Steel Community

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Articles 8, 14, 26, 50, 54, 55 and 56 thereof;

Whereas, in its report of 4 March 1975, the Monetary Committee took the view that a unit of account based on a basket of Community currencies would best suit the requirements of the Community in general;

Whereas any reference to gold in the definition of the value of currencies and consequently of units of account is now irrelevant in view of developments in the international monetary system; whereas Commission Decision No 3541/73/ECSC [1] must therefore be replaced by a Decision defining a new unit of account which eliminates the distortions in the present system;

Whereas, in its Decision No 75/250/EEC [2], the Council has already adopted such a unit of account for expressing the amounts of aid referred to in Article 42 of the ACP-EEC Lomé convention; whereas the same definition should be adopted for the purposes of the ECSC Treaty;

Whereas the unit of account should represent an average value of the variations in the currencies of the Member States of the Community;

Whereas the Commission Decisions in which reference has been made to the unit of account comprise Decisions taken after consultation with, or with the assent, or the unanimous assent, of the Council;

With the unanimous assent of the Council,

HAS ADOPTED THIS DECISION:

Article 1

The unit of account to be used in decisions, recommendations, opinions and communications for the purposes of the Treaty establishing the European Coal and Steel Community shall be the European unit of account 'EUA', defined as the sum of the following amounts of the currencies of the Member States of the Community:

DM	0·828
£ sterling	0·0885
FF	1·15
Lit	109
Fl	0·286
Bfrs	3·66
Lfrs	0·14
Dkr	0·217
£ (Irish)	0·00759

Article 2

The value of the unit of account in any given currency shall be equal to the sum of the equivalent in that currency of the amounts of currency referred to in Article 1. It shall be calculated by the Commission using the daily market exchange rates.

The rates of conversion into the various national currencies shall be made available every day; they shall be published daily in the 'Information and Notices' section of the *Official Journal of the European Communities*.

Article 3

The amounts of levies shall be expressed in EUA and paid in their equivalent in national currencies at the conversion rate obtaining on the day prior to the day of payment.

However, during a transitional period which shall expire on 31 December 1976, this conversion rate shall, for each payment made from the fifteenth of a given month to the fourteenth of the following month, be the rate obtaining on the last working day of the month preceding this period.

Article 4

Commitments to be charged to the operating budget of the ECSC shall be denominated in EUA and the corresponding expenditure paid in national currencies at the rate obtaining on the day. In the case of contracts relating to financial aid based on Article 55 of the Treaty, the statements of expenditure submitted to the Commission by the recipients of the aid shall be drawn up in EUA at the conversion rates obtaining on the day on which each item of expenditure is paid. However, if the recipient encounters difficulties in applying this system of statements of expenditure, the Commission may make provision in the contract for the conversion into EUA of the amounts of expendi-

(1) OJ No L 361, 29. 12. 1973, p. 10.
(2) OJ No L 104, 24. 4. 1975, p. 35.

ture shown in each statement at the rate obtaining on the last day of the half-year to which the statement pertains.

The special fund provided for in Decision No 73/287/ ECSC (1) on aids granted for the sale of coking coal and coke to the Community iron and steel industry shall be established in EUA and the contributions towards its financing shall be paid in national currencies at the rate obtaining for levies paid at the same date.

Article 5

The rights and obligations determined in units of account but which before 1 January 1976 were converted by the Commission into national currencies on the basis of the rates in force at the time of their inception shall continue to be managed on the same basis.

Article 6

This Decision shall not apply to the measures for balancing imports of scrap and material treated as such covered by Decision No 21/60/ECSC of 20 July 1960.

Article 7

This Decision shall enter into force on 1 January 1976 and shall replace, from that date, Commission Decision No 3541/73/ECSC.

This Decision shall also apply for the calculation of the average values used in calculating levies for 1976 and 1977.

On 31 December 1975 the balance sheet drawn up under Decisions No 3541/73/ECSC, No 3542/73/ ECSC (2) and No 3328/74/ECSC (3) shall be presented in EUA.

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

Done at Brussels, 18 December 1975.

For the Commission

Vice-President

Wilhelm HAFERKAMP

(1) OJ No L 259, 15. 9. 1973, p. 36.

(2) OJ No L 361, 29. 12. 1973, p. 11.

(3) OJ No L 357, 31. 12. 1974, p. 16.