

CO-ORDINATION OF ECONOMIC POLICIES AND MONETARY CO-OPERATION

The Council heard a statement by Mr. Raymond BARRE, a Vice-President of the Commission, on the memorandum submitted by the Commission, on the co-ordination of economic policies and monetary co-operation within the Community, which includes a group of measures to these ends.

The Council also heard the opinions of the Monetary Committee, the Short-term Economic Policy Committee, the Medium-term Economic Policy Committee, the Committee of Governors of Central Banks and the Budgetary Policy Committee on these questions, presented by the chairmen of each of these Committees.

After a thorough exchange of views on the problems as a whole, the Council, as regards

- the strengthening of co-operation on short-term economic policies, adopted the Decision annexed to this Press Release
- the strengthening of co-ordination of medium-term economic policies, decided to start this coming autumn, on the basis of a memorandum to be submitted by the Commission, a thorough discussion on the objectives of the medium-term economic policy

Council Meeting July 17, 1969

1129 e/69 (AG 186) kel/PA/che

.../...

- short-term monetary support, adopted a declaration by which the Council noted its agreement on the principle of a Community system of short-term monetary support in accordance with the guidelines of the Commission memorandum of 12 February 1969. This system should take into account the points set out in the letter from the Chairman of the Committee of Governors of Central Banks to the President of the Commission of the European Communities and the opinion of the Monetary Committee. To this end, while respecting the prerogatives devolving from the particular statute of each issuing institution, the Council invited the Committee of Governors of Central Banks to continue its work on the definition of the procedure for the operation of such a system.

The Italian and Netherlands delegations reserved their positions on the proposed system until such time as the operating procedures are known.

- medium-term financial aid, instructed the Monetary Committee to report to the Council and to the Commission on the procedure for implementing a system of medium-term financial aid, taking into account the Monetary Committee's own opinion and the observations made on this subject by the Committee of Governors of Central Banks.

DECISION
on the co-ordination of short-term
economic policies

.....

Article 1

Prior consultations shall be held on any important measures or decisions which a Member State proposes to take as regards short-term economic policy, and which have a considerable effect on the economies of the other Member States or on the internal and external equilibrium of the Member State in question, or are likely to result in a considerable divergence between the development of one country's economy and the medium-term economic objectives defined in common. Such consultations shall also cover overall budgetary policy and fiscal measures intended to have a direct effect on external trade.

Article 2

These consultations shall be held within the Monetary Committee, the Short-term Economic Policy Committee and the Budgetary Policy Committee.

In cases of particular importance, any Member State, or the Commission, may ask for the consultations to be held within the Council which, will then meet without delay.

The procedure for the consultations shall be laid down by the Council, on a proposal of the Commission, to be made after the latter has received the opinions of the Committees in question.

Article 3

Any Member State, or the Commission, may request consultations in accordance with the procedure laid down in Article 2 if, in its opinion, the economic development of a Member State is likely to produce the effects referred to in Article 1.

Article 4

The Member States shall not adopt the above-mentioned measures or decisions until after the consultations provided for in Article 1, unless circumstances dictate otherwise.

Article 5

This Decision is addressed to the Member States.
