

# HILLMAN

## COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 605 final.

Brussels, 28 November 1975

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1975

Proposal for a

DECISION OF THE COUNCIL

renewing the machinery for medium-term financial assistance

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(submitted to the Council by the Commission)

COM(75) 605 final





EXPLANATORY MEMORANDUM

Article 1 of the Council's decision 71/143/EEC of 22nd March 1971 concerning setting up machinery for medium-term financial assistance makes provision in paragraph 2 for this machinery, which has an initial validity of four years from 1st January 1976, to 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. However, Council debates on the subject of this transition at the end of 1973 reached no formal conclusions.

Taking this into account, and so as to avoid any uncertainty about the continued validity of the machinery for medium-term financial aid from 1st January 1976, the Commission, following a favourable opinion from the Monetary Committee, proposes that the Council decides, before 31.12.1975, to increase the period of initial validity for the machinery from four to eight years.



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DRAFT DECISION

RENEWING THE MACHINERY FOR MEDIUM-TERM FINANCIAL ASSISTANCE

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 No 71/143/EEC<sup>(1)</sup> of 22 March 1971 setting up machinery for medium term financial assistance provides that this machinery, which is initially valid for four years from 1 January 1972, shall 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 said Treaty;

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

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

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(1) OJ No L 73, 27.3.1971, p. 15.

HAS ADOPTED THIS DECISION :

Article 1

In Article 1 (2) of Council Decision No 71/143/EEC of 22 March 1971 for "a period of four years commencing 1 January 1972" read "a period of eight years commencing 1 January 1972".

Article 2

This Decision is addressed to the Member States.

Done at Brussels, the .....

For the Council

The President