

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 491 final.

Luxembourg, 15 September 1976.

COMMUNITY LOAN

Consolidation of a § 100 million tranche of the variable interest
rate roll-over credit

(Proposal of a decision
submitted to the Council by the Commission)

COM(76) 491 final.

PROPOSAL FOR A COUNCIL DECISION

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community

Having regard to Regulation (EEC) number 397/75 of 17th 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 for this purpose consulted the Monetary Committee

Whereas by Decision 76/322/EEC (2) of the 15 March 1976, the Council authorized the Commission to conclude a series of borrowing operations which form a package including in particular (Article 1, sub paragraph 4) a variable interest-rate loan of U.S. \$ 300 million for five years from a syndicate of banks, and whereas this borrowing has been made

Whereas it is in the interests of both the Community and of the Member States benefitting from the Decision of the 15 March 1976, to change the Community loans from variable to fixed rates of interest

Whereas the Council has therefore authorized the Commission to initiate negotiations with a view to carrying out one or more operations to fund this variable interest loan, by means of a loan or loans at fixed interest.

Whereas these negotiations have led to the possibility of carrying out a fixed interest borrowing operation for U.S. \$ 100 million, corresponding to the tranche of the variable interest rate loan repayable on the 15 October 1976 on the Commission's initiative.

Whereas the terms of the loan to the Italian Republic and to Ireland must therefore be altered

(1) OJ N° L 46, 20.2.75, p.1

(2) OJ N° L 77, 24.3.76, p.2

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HAS ADOPTED THIS DECISION

ARTICLE 1

The Commission is authorized to exercise its right to prepay one tranche of U.S. \$ 100 million of the variable interest rate bank loan, and to take all necessary measures in that connexion.

ARTICLE 2

The Commission shall be authorized to take all actions and execute all documents necessary, proper or desirable to conclude, on behalf of the Community, a public issue in the United States of notes denominated in U.S. dollars underwritten by various investment banking firms, as indicated below, on the following major terms :

Form of loan :	bearer coupon notes in the denomination of U.S. \$ 1,000; registered notes in the denomination of U.S. \$ 1,000 and any multiple thereof
Total amount :	U.S. \$ 100 million
Redemption :	at par after five years
Payment of interest :	semi-annually, on April 1 and October 1,
Managing Underwriters :	Managing Underwriter : Morgan Stanley & C ^o Incorporated Co-Managers : The First Boston Corporation Kuhn, Loeb & C ^o Lehman Brothers Incorporated Salomon Brothers

The rate of interest on, and public issue price for, the aforesaid notes will be fixed by agreement between the Commission, or such agents as it may designate, and the underwriters.

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ARTICLE 3

The Commission is authorized to execute the necessary contracts in the name of the Community, with the Italian Republic and Ireland :

- for repayment by these Member States of their portion of the proceeds of the variable interest rate bank loan to be repaid by the Community, and

- to lend the Italian Republic and Ireland respectively 10/13 and 3/13 of the proceeds of the borrowing operation carried out under the terms of Article 2, and in the same currencies and on the same terms as the said operation.

ARTICLE 4

Council Decisions 76/323/CEE and 76/324/CEE of the 15 March 1976 fixing the economic policy conditions to be observed by the Italian Republic and Ireland stand unchanged.

ARTICLE 5

The financial operations resulting from this decision shall be carried out by the European Monetary Cooperation Fund.

ARTICLE 6

This decision is addressed to the Member States

Done at Brussels,

1976.

