II

(Acts whose publication is not obligatory)

COUNCIL

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.

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