

TALSMANDENS GRUPPE
SPRECHERGRUPPE
SPOKESMAN'S GROUP
GROUPE DU PORTE-PAROLE
GRUPPO DEL PORTAVOCE

PRESSE-MEDDELELSE
MITTEILUNG AN DIE PRESSE
PRESS-RELEASE

INFORMATION A LA PRESSE
INFORMAZIONE ALLA STAMPA
MEDEDELING AAN DE PERS

PCO: DER 22.3.1976/461

Brussels, 22 March 1976

STATEMENT BY MR. WILHELM HAFERKAMP, VICE-PRESIDENT OF THE
COMMISSION, ON THE OCCASION OF THE SIGNING OF THE FIRST COMMUNITY LOAN

Shortly after the outbreak of the oil crisis the Commission proposed that the Community should be empowered to raise loans.

We did this at that time because:

- (i) it was to be foreseen that the increases in oil prices would generate heavy payments balance deficits;
- (ii) we wanted to promote order on the capital markets, to avoid a scramble for credit.

But the main reason why we made this proposal was,

that we wished to create an instrument that would constitute a practical expression of Community solidarity, an instrument to help Member States which had run into difficulties.

But in doing this we also agreed on the principle,

that aid provided as an expression of Community solidarity should be afforded on the condition that those who were helped would make every effort to help themselves.

The onlending of funds yielded by the loans is therefore associated with economic and finance policy conditions with which the beneficiary States will comply.

The goal is:

to achieve a stable order on the basis of a common effort.

The developments of the last few days have highlighted the importance of these conditions,

- (i) as a useful contribution to the difficult decisions the Governments have to take.
- (ii) as an important protection against disturbances of the Common Market.

This has happened during a period of monetary upheaval. Even before the loans have been signed, the Community loan instrument has thus acted as a stabilisation factor and a factor in improving confidence.

We shall now sign the following loan tranches:

- (i) DM 500 million for seven years at a fixed interest rate
- (ii) \$300 million for six years at a fixed interest rate
- (iii) \$300 million for five years at a variable interest rate.

I take this opportunity to thank warmly all those who have made all the extensive and complex arrangements in such a short time.

We have before us the results of,

- (a) a major effort of imagination
- (b) considerable technical skill
- (c) a courageous spirit of enterprise
- (d) but in particular, most of all, the unstinting cooperation of all concerned, based on mutual confidence.

The rewarding work we have thus carried out on preparing our great venture - work which has been for me a source of great personal satisfaction as well - leaves no doubt in my mind that we shall also bring to a completely successful conclusion one of the greatest capital market operations ever, this concrete expression of Community solidarity, the first Community loan.

This serves not only the interests of the European Communities, nor is it only in the interests of those participating, about 300 banks. For we are all providing today, in the midst of uncertainty and doubt, a ringing demonstration of our confidence in the future.