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PRESS RELEASE

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FOR IMMEDIATE RELEASE

COMMON MARKET PREPARES FOR EXCHANGE MARKETS' REOPENING

Washington -- March 13 -- Technical details concerning the joint Common Market currency float, announced yesterday in Brussels, will be worked out this week before the scheduled March 19 reopening of European exchange markets.

Following is an unofficial translation of the March 12 statement by the Council of Ministers:

The Council of the Community met on March 11, 1973, to discuss measures to deal with the international monetary crisis in light of the meeting of the enlarged "Group of Ten" which took place in Paris on March 9.

The Council decided that

- The maximum margin at any one time between the German mark, the Danish kroner, the Dutch florin, the Belgian franc, the Luxembourg franc, and the French franc is maintained at 2.25 per cent. For the member states which are maintaining a two-tier system of exchange rates, this commitment applies only to the regulated market.
- The central banks are no longer obligated to intervene in the fluctuation margins of the US dollar.

-To protect the system against disruptive capital movements, the application of the March 21, 1972, directive will be reinforced and complementary instruments of control will be established to whatever degree is necessary.

The British, Irish, and Italian members declared that their governments intend to participate as soon as possible in the decision to maintain Community margins of fluctuation.

To this end, the Commission will present suggestions it considers adequate before June 30, 1973, when it is also due to report on preparation for short-term monetary support and conditions for the gradual pooling of reserves.

The Council agreed that, in the meantime, close and continuous cooperation in monetary matters will be maintained between the member states' authorities.

The representative of the German Government indicated his Government's intention to undertake before the exchange markets' reopening a limited adjustment in the central exchange rate of the mark to contribute to an orderly development in exchange relations.

The technical details of the matters mentioned above will be worked out in the next few days, taking into account the next meeting of the enlarged Group of Ten which will take place in Paris on March 16, so that they will become applicable on March 19, 1973, the scheduled date for the reopening of exchange markets.

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Following is the translation of the March 12 declaration by the Commission's spokesman:

The Commission believes that the arrangements undertaken by the Council, which will avoid a disjointed float, ward off the risk of speculation.

Nonetheless, the Commission regrets that the Council was unable to decide upon measures in which all Community member states could participate, as the Commission had proposed.

The Community must still work toward economic and monetary union. Therefore, the nine nations must return as soon as possible to a Community system of exchange rates, as agreed a year ago.

That is why the Commission attaches the greatest importance to the mandate it has received to make suggestions to this end. It ascribes equal importance to the proposals it must make on the pooling of reserves and short-term support.