

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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MONETARY MEASURES APPLIED BY ITALY

The following communication dated 1 June 1976 has been received from the Commission of the European Communities.

I have the honour to forward to you herewith, for the information of the CONTRACTING PARTIES, a communication from the Commission of the European Communities concerning the monetary measures recently introduced in Italy.

MONETARY MEASURES APPLIED IN ITALY

Decision of the Commission of the European Communities

On 5 May 1976 the Commission of the European Communities, acting in pursuance of Article 108:3 of the Treaty of Rome which is applicable in the case of balance-of-payments difficulties of a member State, authorized the Italian Government to take certain protective measures in the monetary field.

In making this decision, the Commission took into consideration the following elements inter alia:

- the balance-of-payments situation of Italy, after a relative improvement which enabled the protective measures to be confined to investments made abroad, is suddenly deteriorating once again, this trend being severely aggravated by speculation;
- this deterioration is causing a rapid and excessive depreciation of the lira, constituting a serious threat to the functioning of the common market, and therefore calls for emergency action;

the financial aid already granted by the Community has not sufficed by itself to stem the depreciation of the lira, and accordingly effective though temporary measures must be adopted with the essential aim of large-scale mopping-up of monetary liquidity.

On the basis of these elements, the Commission has authorized Italy to require the lodging for a three-month period of a non-interest-bearing cash deposit with the Bank of Italy whenever foreign exchange is purchased and whenever lire are deposited on foreign accounts; the deposit may not exceed 50 per cent of the amount involved in the transaction and will be released without delay or formality three months from the date of its lodging.

The authorization is valid until 5 August 1976 and may be amended or repealed.