EXCHANGE OF LETTERS ON MONETARY QUESTIONS

Brussels, 22 January 1972

Your Excellency,

1. At the Ministerial Meeting of the Conference on 7 June 1971, it was agreed that the declaration on monetary questions which I made at the Meeting should form the subject of an exchange of letters annexed to the Act concerning the Conditions of Accession and the Adjustments to the Treaties. I therefore now have the honour to confirm that at that Meeting I made the following declaration:

"(a) We are prepared to envisage an orderly and gradual run-down of official sterling balances after our accession.

(b) We shall be ready to discuss after our entry into the Communities what measures might be appropriate to achieve a progressive alignment of the external characteristics and practices in relation to sterling with those of other currencies in the Community in the context of progress towards economic and monetary union in the enlarged Community, and we are confident that official sterling (*) can be handled in a way which will enable us to take our full part in that progress.

(c) In the meantime we shall manage our policies with a view to stabilizing the official sterling balances in a way which would be consistent with these longer term objectives.

(d) I hope that the Community will regard this statement as disposing satisfactorily of the question of sterling and associated matters, leaving only the arrangements for UK compliance with the Directives relating to capital movements under the Treaty of Rome to be settled in the course of the negotiations."

2. At the same meeting on 7 June, the above declaration was agreed by the Community delegation.

3. I understand that the delegations of the Kingdom of Denmark, Ireland and the Kingdom of Norway have also signified their agreement to the above-mentioned declaration as confirmed by the present letter.

(*) "Official sterling" means "official sterling balances"

Mr. G. THORN
Minister of Foreign Affairs
of the Grand Duchy of Luxembourg
4. I would be grateful if you would kindly acknowledge receipt of this letter and confirm
the agreement of the Governments of the Member States of the Community and of the
Governments of the Kingdom of Denmark, Ireland and the Kingdom of Norway to the
above-mentioned declaration.

Please accept, Your Excellency, the assurance of my highest consideration.

G. RIPPON
Chancellor of the Duchy of Lancaster

Brussels, 22 January 1972

Your Excellency,

You were good enough to make the following communication to me in your letter of
today's date:

"1. At the Ministerial Meeting of the Conference on 7 June 1971, it was agreed that
the declaration on monetary questions which I made at the Meeting should form the
subject of an exchange of letters annexed to the Act concerning the Conditions of Ac-
cession and the Adjustments to the Treaties. I therefore now have the honour to con-
firm that at that Meeting I made the following declaration:

"(a) We are prepared to envisage an orderly and gradual run-down of official sterling
balances after our accession.

(b) We shall be ready to discuss after our entry into the Communities what measures
might be appropriate to achieve a progressive alignment of the external charac-
teristics and practices in relation to sterling with those of other currencies in the
Community in the context of progress towards economic and monetary union in
the enlarged Community, and we are confident that official sterling (*) can be
handled in a way which will enable us to take our full part in that progress.

(c) In the meantime we shall manage our policies with a view to stabilizing the official
sterling balances in a way which would be consistent with these longer term objec-
tives.

(d) I hope that the Community will regard this statement as disposing satisfactorily of
the question of sterling and associated matters, leaving only the arrangements for
UK compliance with the Directives relating to capital movements under the Treaty
of Rome to be settled in the course of the negotiations.'

2. At the same meeting on 7 June, the above declaration was agreed by the Com-

Community delegation.

(*) "Official sterling" means "official sterling balances"

Mr. G. RIPPON
Chancellor of the Duchy of Lancaster
3. I understand that the delegations of the Kingdom of Denmark, Ireland and the Kingdom of Norway have also signified their agreement to the above-mentioned declaration as confirmed by the present letter.

4. I would be grateful if you would kindly acknowledge receipt of this letter and confirm the agreement of the Governments of the Member States of the Community and of the Governments of the Kingdom of Denmark, Ireland and the Kingdom of Norway to the above-mentioned declaration.”

I have the honour to acknowledge receipt of this communication and to confirm, the agreement of the Governments of the Member States of the Community and of the Governments of the Kingdom of Denmark, Ireland and the Kingdom of Norway to the declaration contained in paragraph 1 of your letter.

Please accept, Your Excellency, the assurance of my highest consideration.

G. THORN
Ministre des Affaires étrangères
du Grand-Duché de Luxembourg

P. HARMEL
Ministre des Affaires étrangères
du Royaume de Belgique
Minister van Buitenlandse Zaken
van het Koninkrijk België

I. NØRGAARD
Kongeriget Danmarks udenrigsøkonomiminister

W. SCHEEL
Bundesminister des Auswärtigen
der Bundesrepublik Deutschland

M. SCHUMANN
Ministre des Affaires étrangères
de la République française

P. J. HILLERY
Aire Gnóthai Eachtracha na hÉireann

A. MORO
Ministro per gli Affari Esteri
della Repubblica Italiana

W. K. N. SCHMELZER
Minister van Buitenlandse Zaken
van het Koninkrijk der Nederlanden

A. CAPPELEN
Kongeriket Norges utenriksminister