OPINION OF MR ADVOCATE GENERAL WARNER DELIVERED ON 27 SEPTEMBER 1977

My Lords,

This case comes before the Court by way of a reference for a preliminary ruling by the Tribunal d'Instance of Lille.

The Plaintiff in the proceedings before that Court is the Société Anonyme Roquette Frères, which carries on business in Lille as, among other things, a manufacturer and exporter of starch products derived from maize. This is not of course the first time that the Plaintiff has been concerned in proceedings before this Court: see Case 34/74 *Roquette* v *France* [1974] 2 ECR 1217 (to which I shall refer later as 'the first *Roquette* case') and Case 26/74 *Roquette* v *Commission* [1976] ECR 677.

The Defendant in the proceedings is the French State, in the shape of the 'Administration des Douanes'.

The Plaintiff's complaint in these proceedings is of the imposition, since 25 March 1976, of monetary compensatory amounts ('m.c.a.'s') on its exports of starch products from France. Those m.c.a.'s were imposed by Commission Regulation (EEC) No 652/76 of 24 March 1976. The Plaintiff contends that that Regulation, in so far at all events as it imposed m.c.a.'s on exports from France of products derived from maize, was invalid. In the proceedings before the Tribunal d'Instance, the Plaintiff claims a declaration that the Administration des Douanes was not entitled to exact such m.c.a.'s and an order for restitution of the sums paid by the Plaintiff in respect of them. The defence of the Administration des Douanes is, shortly stated, that it has done nothing other than to enforce the relevant Community legislation, by which it is bound.

Thus it is that the Tribunal d'Instance has referred to this Court a number of questions designed to test the validity of Regulation No 652/76. Those questions reflect, in the main, the grounds upon which the Plaintiff contended, before the Tribunal, that the Regulation was invalid.

I need hardly remind Your Lordships that m.c.a.'s were first imposed by virtue of Council Regulation (EEC) No 974/71 of 12 May 1971 and that the system instituted by that Regulation has undergone many changes since. By March 1976 the essentials of the system had become these.

By Council Regulation (EEC) No 475/75 of 27 February 1975 (subsequently replaced by Council Regulation (EEC) No 557/76 of 15 March 1976 as amended by Council Regulation (EEC) No 650/76 of 24 March 1976) there was fixed for the currency of each Member State a 'representative' rate of exchange in relation to the unit of account (which is still, by virtue of Council Regulation No 129 of 23 October 1962, equivalent to 0·88867088 grammes of fine gold). Regulation No 457/75 provided that those 'representative' rates, which have become popularly known as the 'green' rates, should thenceforth be used 'where transactions to be carried out in pursuance of instruments relating to the common agricultural policy' required the currency of any Member State to be expressed in another currency or in units of account. The representative rates of Member States' currencies have since been varied from time to time by further Council Regulations.

Article 1 (1) of Regulation No 974/71, as successively amended by Council Regulations (EEC) No 2746/72 of 19 December 1972 and No 509/73 of

22 February 1973, provided, so far as material, that where the mean of the spot market rates of a Member State's currency during a prescribed period departed by at least 1 % from the 'conversion rate' (in effect the representative rate), that Member State should —

(a) if its currency had increased in value charge m.c.a.'s on imports and grant them on exports,
(b) if its currency had decreased in value charge m.c.a.'s on exports and grant them on imports.

Article 1 (2) of Regulation No 974/71 described the products on which m.c.a.'s were to be charged or granted as being, so far as material:

(a) 'products covered by intervention arrangements under the common organization of agricultural markets'; and
(b) 'products whose price depends on the price of the products referred to under (a) and which are governed by the common organization of the market'.

Maize, as Your Lordships know, is a product covered by intervention arrangements under the common organization of the market in cereals. The products derived from it exported by the Plaintiff come under (b). It is common ground between the Plaintiff and the Commission that, although maize is covered by intervention arrangements, the fact that the Community does not grow enough of it for its needs and so relies largely on imports, means that the market price of maize in the Community approximates to its threshold price and that those intervention arrangements have never operated.

Article 1 (3) of Regulation No 974/71, as substituted by Regulation No 2746/72, provided in effect that Article 1 (1) should apply only where the monetary situation there referred to 'would lead to disturbances in trade in agricultural products'. (The English text of Regulation No 2746/72 as published in the Official Journal is defective. It wrongly numbers the paragraph 1 instead of 3, and has 'not' where it should have 'only'. Cf. the texts in the other official languages). Article 1 (3) is important in this case, because it is one of the pillars of the Plaintiff's contention.

Article 2 (1) of Regulation No 974/71, as amended by Council Regulations (EEC) No 1112/73 of 30 April 1973 and No 475/75 (to the latter of which I have already referred) laid down the method of computation of m.c.a.'s for products covered by intervention arrangements, i.e. those to which subparagraph (a) of Article 1 (2) related. That method differed as respects those Member States whose currencies were and those whose currencies were not 'in the snake', i.e. in the system instituted in March 1973, and with which Your Lordships are familiar, under which the majority of Member States' currencies float together in relation to other currencies, maintaining as between themselves a maximum variation in their spot market rates at any given moment of 2·25 %. I need not, I think, for the purposes of the present case, describe the two methods of computation in detail. Suffice it to say that they involved the use as a standard of the 'central rates' of the currencies in the 'snake' (instead of the U.S. dollar, which had been the standard until 1973) and that, in the case of a Member State whose currency was not in the 'snake', m.c.a.'s were to be equal to the amounts obtained by applying to the relevant prices the average of the percentage differences between, on the one hand, the relationship between the 'representative' rate of that Member State's currency and the 'central rate' of the currencies in the 'snake' and, on the other hand, spot market rates for its currency in relation to the currencies in the 'snake'. This was subject to a proviso, introduced by Article 5 of Regulation No 475/75 as amended by Article 4 of Regulation No 557/76, under which that

average was to be 'reduced by 1·50 points in the case of Member States whose currencies have depreciated'. It seems that the object of that proviso was to moderate the incidence of m.c.a.'s in such Member States.

Article 2 (2) of Regulation No 974/71 laid down the method of computation of m.c.a.'s for products to which subparagraph (b) of Article 1 (2) related, i.e. products whose prices depended on those of products covered by intervention arrangements. Article 2 (2) provided that, for such products, 'the compensatory amounts shall be equal to the incidence, on the prices of the product concerned, of the application of the compensatory amount to the prices of the product referred to in paragraph 1 on which they depend'.

I must lastly refer to Article 6 of Regulation No 974/71, providing that detailed rules for the application of that Regulation, covering in particular the fixing of the compensatory amounts, should be adopted in accordance with the Management Committee procedure.

What happened in March 1976, Your Lordships remember, was that, on the 15th of that month, the French franc came out of the 'snake', with the result that at once it floated downwards. I need not, I think, trouble Your Lordships with the details of the contemporaneous history of the representative rate for the French franc. The essential facts are that so long as the French franc had been in the 'snake' the application of the relevant formulae in Article 2 of Regulation No 974/71 produced the result that France was not required either to charge or to grant m.c.a.'s on its imports or its exports, whereas the fall in the spot market rates for that currency after its departure from the 'snake' entailed that France should charge m.c.a.'s on exports and grant them on imports.

Regulation No 652/76, of which the Plaintiff challenges the validity, was adopted by the Commission, 'in accordance with the opinion of the management committees concerned' (to quote from its last recital), for the purpose of fixing the m.c.a.'s to be charged and granted by France as from 25 March 1976. It is a fact that the recitals of that Regulation contain no reference to any disturbances in trade that might occur in the absence of such m.c.a.'s.

From the Plaintiff's 'assignation' originating the proceedings before the Tribunal d'Instance of Lille it appears that the Plaintiff there relied on three main arguments.

First it pointed to the absence from the recitals of the Regulation of any reference to the risk of disturbances of trade, although the existence of such a risk was the fundamental reason for the institution of m.c.a.'s. Presumably an allusion was intended to Article 190 of the EEC Treaty, which requires Regulations of the Commission to state the reasons on which they are based.

Secondly, the Plaintiff submitted that the institution of the m.c.a.'s here in question by Regulation No 652/76 was unlawful because the intervention arrangements for maize had, for the reasons I have already mentioned, never operated, so that no disturbance of those arrangements was to be feared, nor was any other kind of disturbance to trade to be feared, so that such m.c.a.'s were unnecessary. To emphasize their inappropriateness, the Plaintiff referred to the fact that they were charged on French exports to countries in the franc zone, where, said the Plaintiff, the vicissitudes of the French franc could have no effect on markets.

Thirdly, the Plaintiff argued that the imposition of the m.c.a.'s in question was incompatible with Article 39 of the Treaty, inasmuch as that Article (by paragraph 1 (b)) makes it one of the objectives of the common agricultural policy 'to ensure a fair standard of living for the agricultural community, in

particular by increasing the individual earnings of persons engaged in agriculture', whereas the effect of the imposition of those m.c.a.'s was to reduce the incomes of French farmers, whose production costs were increasing. It is I think to be inferred from what appears in the Order for Reference that, in connexion with this argument, the Plaintiff cited a Proposal submitted by the Commission to the Council on 5 November 1976 for a Council Regulation 'relating to the fixing of representative exchange rates in the agricultural sector' (OJ C 274/3 of 19. 11. 1976). The Commission proposed that such Regulation should contain a recital in the following terms:

'Whereas the development of the currency of certain Member States has several times led to monetary compensatory amounts such as to turn the system from its original objectives; whereas these amounts have been introduced for the purpose of preventing short-term changes in exchange rates from having immediate repercussions on agricultural prices expressed in national money; whereas however maintaining them permanently causes disturbing effects on the unity of the agricultural market and distortions of competition.'

(Here again the English text as published in the Official Journal is defective. Cf. the texts in the other official languages. I have, in quoting it, corrected the errors).

The questions referred to this Court by the Tribunal d'Instance are these:

'A — For the institution or maintenance in force of monetary compensatory amounts, does Article 1 (3) of Regulation (EEC) No 974/71 of the Council of 12 May 1971:
(a) require the Commission to refer to the risk of disturbances in trade;
(b) and/or, prohibit it from fixing compensatory amounts when there is no such risk?

B — What must the disturbances in question consist in?

C — Must the risk of disturbances be assessed at the level of the basic products (referred to in Article 1 (2) (a)) or at the level of the processed products involved (referred to in Article 1 (2) (b) of Regulation No 974/71)?

D — Must Regulation No 652/76 of the Commission of 24 March 1976 and the subsequent regulations be considered as valid having regard to the basic Community legislation, in that they introduce monetary compensatory amounts on maize (10.05 B) and the products referred to in Article 1 (2) (b) of Regulation No 974/71 which depend on maize equal to the entire monetary effect on the price of the basic product adjusted merely by a standard abatement, without considering whether that general measure is strictly necessary?

E — Are the institution and maintenance in force of the monetary compensatory amounts by Regulation No 652/76 of the Commission and later instruments compatible with the provisions of Article 39 of the Treaty of Rome even though, having been introduced for the purpose of preventing short-term changes in exchange rates from having immediate repercussions on agricultural prices in national currency, they cause, according to the Commission (Proposal for a Regulation of 5 November 1976), disturbing effects on the unity of the agricultural market and distortions of competition and though, according to the Société Roquette, they reduce the real income of French farmers?'

The Commission surmises, and I think it must be right, that the 'standard abatement' referred to in question D is

the reduction of 1·50 percentage points under the proviso introduced by Regulation No 475/75.

I think it convenient to approach the Tribunal d'Instance's questions in a slightly different order from that in which it has set them out.

There can in my opinion be no doubt that the fundamental purpose of the system of m.c.a.'s is to prevent changes in exchange rates from immediately affecting agricultural prices in terms of national currencies in such a way as to disturb the functioning of the common organizations of markets. So much indeed is clear from the recitals of Regulation No 974/71 itself, and has been stated by the Court more than once — see for instance Case 5/73 'the first *Balkan* case' [1973] 2 ECR 1091 (particularly paragraphs 13 and 14 of the Judgment), Case 9/73 *Schlüter* v *Hauptzollamt Lörrach*, ibid. p. 1135 (particularly paragraphs 14 and 33 of the Judgment), Case 10/73 *Rewe-Zentrale* v *Hauptzollamt Kehl*, ibid. p. 1175 (particularly paragraphs 14 and 20 of the Judgment) and most recently Case 97/76 *Merkur* v *Commission* (Judgment dated 8 June 1977, not yet reported — particularly paragraphs 16 and 17).

Those authorities and others, such as Case 55/75 'the second *Balkan* case' [1976] ECR 19 (particularly paragraph 10 of the Judgment), show that, as was submitted by the Commission, such disturbances of trade in agricultural products may, speaking generally, be of two kinds. The first kind is direct disturbance of intervention arrangements. A vivid example of this was afforded to this Court in the series of cases of which the last was Case 2/75 *EVSt für Getreide und Futtermittel* v *Mackprang* [1975] ECR 607. Those cases were concerned, Your Lordships remember, with the consequences of the devaluation of the French franc in 1969, which had resulted in German traders buying cereals in France for re-sale to the German intervention agency at a profit, and doing so in such quantities as to threaten to exhaust that agency's storage capacity. The second kind of disturbance consists in the diversion of trade between the Community and third countries, in particular the diversion of imports through Member States with devalued currencies in search of lower levies and the diversion of exports through Member States with revalued currencies in search of higher refunds.

Nor is it in doubt that, if only by virtue of Article 1 (3) of Regulation No 974/71, the Commission is precluded from fixing m.c.a.'s, or from maintaining them in force, unless it considers that, without them, there is a risk of such disturbances occurring. That too has been held by this Court many times — see in particular Case 43/72 *Merkur* v *Commission* [1973] 2 ECR 1055, which I shall call 'the first *Merkur* case' (paragraphs 12 and 16 of the Judgment, where the references are to the last paragraph of Article 1 (2) of the Regulation, which was the provision corresponding to Article 1 (3) before the amendment wrought by Regulation No 2746/72) and Case 74/74 *CNTA* v *Commission* [1975] ECR 533 (paragraphs 19 and 20 of the Judgment). It does not however follow from that that, in judicial proceedings to review the exercise by the Commission of its discretion, there is any sort of onus on the Commission to demonstrate affirmatively, in relation to a particular Member State's trade in a particular product, the existence of a risk of disturbances. As to that the decisions of this Court establish three points.

The first is that, having regard to the speed with which the Commission has to act after a relevant 'monetary event', such as the devaluation or revaluation of a currency, or its departure from the 'snake', and to the enormous number and variety of products, both basic and derived, covered by the common organizations of agricultural markets, it is in practice impossible for the Commission, at all events initially, to

consider every type of product separately. It must necessarily adopt an overall approach. See as to this the first *Merkur* case (paragraph 24 of the Judgment), the first *Balkan* case (paragraphs 20 to 22 of the Judgment), the *Schlüter* case (paragraphs 20 to 22 of the Judgment) and the second *Balkan* case (paragraph 9 of the Judgment).

As that last authority shows, the second point is closely linked to the first. This is that, even after the first flurry following a sudden monetary event, the Commission is not bound to consider particular products individually, but may consider them in groups. Such a group may in particular consist of products under the same tariff heading and subject to the same levy rules. This point was not new in the second *Balkan* case: it had been made in the first (see paragraph 41 of the Judgment in that case). It is however to be observed that the present case does relate to such a group of products.

The third and, in my opinion, by far the most important point is that, in deciding whether m.c.a.'s are needed to prevent the risk of disturbances of trade in a particular sector, the Commission, and the Management Committees, have a wide discretion. Since the exercise of that discretion involves the evaluation of a complex economic situation, a court, in reviewing its legality, 'must confine itself to examining whether it contains a manifest error or constitutes a misuse of power or whether the authority did not clearly exceed the bounds of its discretion' — see the Judgment in the second *Balkan* case (paragraph 8). Earlier authorities pointing to the same conclusion are the first *Merkur* case (paragraph 23 of the Judgment), the first *Balkan*, the *Schlüter* and the *Rewe-Zentral* cases (paragraph 6 of each Judgment), and the *CNTA* case (paragraph 21 of the Judgment).

It is that, in my opinion, that makes irrelevant much of the argument presented to the Court on behalf of the Plaintiff in the present case. It was thereby sought to persuade us that, in fact, the imposition of m.c.a.'s on French exports of products derived from maize was unnecessary to prevent disturbances of trade. The sheet-anchor of the Plaintiff's argument in that respect was of course the fact that no intervention agency had ever had to buy maize. This provoked the comment on the part of the Commission that maize was to some extent interchangeable with barley, particularly as animal feed, and for some brewing purposes, and that barley was certainly a product in respect of which there had been intervention, so that the imposition of m.c.a.'s on maize and on products derived therefrom was necessary to protect the intervention arrangements for barley. From that there developed a debate between the Plaintiff and the Commission as to the extent to which maize and barley were interchangeable. But, my Lords, it is not for this Court to decide, at all events in this kind of proceeding, to what extent maize may be interchangeable with barley. The crux is that the Plaintiff came nowhere near to establishing that, in that regard, the Commission, and the Management Committee for Cereals, had made a manifest error, or to establishing that, in imposing the m.c.a.'s in question, they had clearly exceeded the bounds of their discretion. There was, very properly, no suggestion that they had misused their powers.

The same considerations in my opinion make inapposite the question asked by the Tribunal d'Instance whether the risk of disturbances must be assessed at the level of the basic products or at the level of the derived products involved. The answer is that they may be assessed at either or both. It is for the Commission, and the Management Committee concerned, to consider what risks of disturbance there are either to trade in the basic product, or to trade in the derived products, or to both. All that can be said is that, whilst it is permissible for them to fix m.c.a.'s for the basic product

without fixing them for derived products (see the first *Merkur* case), the converse is not permissible (see the first *Roquette* case).

The Commission interpreted the Tribunal d'Instance's question D as querying the validity, not only of the imposition of the m.c.a.'s here in issue, but of the manner in which they had been computed; and it said that there had in fact been no departure, in computing them, from the method enjoined by Article 2 of Regulation No 974/71 (as amended). I do not for my part so interpret Question D, nor did I detect in the submissions of the Plaintiff any specific criticism of the method of computation of those m.c.a.'s. I must however deal, albeit briefly, with two subsidiary matters in the Plaintiff's submissions.

Firstly, the Plaintiff revived before us the point that it had made before the Tribunal d'Instance as to exports from France to countries in the franc zone. This point is in my opinion misconceived, because the object of applying m.c.a.'s in France is to regulate the levels of prices at which French trade in agricultural products takes place. For that purpose it is immaterial, in the case of trade with third countries, what their own currencies are.

Secondly, the Plaintiff annexed to its written observations a table designed to show that, as a result of the m.c.a.'s, maize was cheaper in Germany and in the Netherlands than in France. At the hearing, Counsel for the Commission demonstrated, as I thought convincingly, that this table had been prepared on an erroneous basis. I need not, I think, say more than that about it.

So I turn to the question whether Regulation No 652/76 was invalid because it did not mention, in its recitals, the risk of disturbances to trade.

Clearly it cannot have been the duty of the Commission to state in those recitals, in relation to each product or group of products in respect of which m.c.a.'s were instituted by the Regulation, the reasons why, in the absence of such m.c.a.'s, disturbances of trade were to be feared. Not only would such a requirement have been inconsistent with the overall approach which, on the authorities, it was open to the Commission to adopt, but, here again, the speed with which the Commission was required to act, and the number and variety of the products with which it had to deal, would have made the task impossible. One has only to glance at the Annexes to the Regulation, and to note their bulk and complexity, to see that. The position in that respect is similar to that which obtained in Case 5/67 *Beus* v *Hauptzollamt München* [1968] ECR 83, at pp. 94-95 (Rec. 1968, p. 125, at pp. 143-144).

Thus the question can only be whether the Commission was bound to state in general terms that without the m.c.a.'s fixed by the Regulation there would be a risk of disturbances to trade — or, more exactly, whether the absence of such a statement constituted an 'infringement of an essential procedural requirement' (within the meaning of Article 173 of the Treaty) invalidating the Regulation.

In my opinion it did not.

I will spare Your Lordships a review of the authorities in this Court on the interpretation of Article 190. (Such a review has in fact recently been made by an academic writer: see 'La motivation des actes des institutions communautaires' by Christian Hen, Cahiers de Droit Européen, 1977, No 1, p. 49). Those authorities show that the requirement of Article 190 that Regulations, Directives and Decisions of the Council and of the Commission should state the reasons on which they are based is not a formality. Its main purposes are to enable persons thereby affected to challenge, in a proper case, the validity of those reasons, and to enable this Court to exercise its

supervisory jurisdiction. There is some authority (see for instance Case 24/62 *Germany* v *Commission* [1963] ECR 63, at p. 69 (Rec. 1963, p. 129 at p. 143)) that an additional purpose is to inform others interested, particularly Member States, of the circumstances in which a Community Institution has exercised its powers.

Now, clearly, the insertion by the Commission, in a Regulation fixing m.c.a.'s, of a bare recital to the effect that, in their absence, disturbances to trade were to be feared, would be a mere formality. It would not assist one jot either a person (such as the Plaintiff in this case) bent upon challenging the validity of those m.c.a.'s, or this Court in exercising its jurisdiction. So the omission of such a recital cannot constitute an infringement of an essential procedural requirement. The Commission, as I understand it, goes further and submits that the insertion of such a recital would be inapt, because the matter is covered by a presumption. As soon as it appears that the monetary conditions exist which, by virtue of Council Regulation No 974/71 as amended, call *prima facie* for the application of m.c.a.'s, the presumption arises, says the Commission, that, in the absence of m.c.a.'s, untoward disturbances of trade would occur. I find that submission attractive, because it is consistent with the need for the Commission to adopt an overall approach in fixing m.c.a.'s. Perhaps it means that the Commission need state its reasons only where, having regard to Article 1 (3) of Regulation No 974/71, it is satisfied that, despite the monetary conditions, m.c.a.'s should be withdrawn. Although, as I have said, I find the submission attractive, I do not think it necessary to express a concluded opinion on it.

I turn lastly to the Tribunal d'Instance's question E.

As to this the Commission made the point *in limine* that any challenge to the validity of Regulation No 652/76 on the ground that it was incompatible with Article 39 of the Treaty (or for that matter with Article 40, which was also referred to on behalf of the Plaintiff at the hearing) was misconceived, for, between Regulation No 652/76 and the Treaty, there stood the legislation of the Council, particularly Regulation No 974/71. Regulation No 652/76 did no more, said the Commission, than implement the legislation of the Council. If the result was incompatible with the Treaty, the vice must lie in the legislation of the Council.

That point seems to me manifestly right, but I do not think it necessary to pursue it, because I do not think that it has been shown that the results brought about by Regulation No 652/76 were incompatible with the Treaty.

It is no doubt correct to say that one of those results was to reduce the incomes of French farmers, in the sense of making those incomes less than they would have been in the absence of m.c.a.'s. Inevitably, indeed axiomatically, the application of m.c.a.'s in a Member State with a depreciating currency makes the prices of agricultural products in that Member State lower than they would otherwise be. It does not however follow that their application constitutes a breach of Articles 39 and 40 of the Treaty. In the first place, it must be borne in mind that the several objectives of the common agricultural policy set out in Article 39 are inseparable. The compatibility with them of any particular measure adopted in pursuance of that policy cannot be judged by looking at one of them in isolation. As the Court indicated in the first *Balkan* case (in paragraph 24 of the Judgment), in pursuing those objectives, the Community Institutions must for ever seek to conciliate their inherent contradictions. Secondly, even if one were, impermissibly, to look at objective (b) alone, it would not be permissible to judge in isolation, by reference to that

objective, a single measure adopted in implementation of the common agricultural policy, such as the fixing of m.c.a.'s. That which would fall to be judged would be the whole complex of measures adopted in implementation of that policy, including those whose effect is to bolster the incomes of farmers, not least import levies and export refunds. When Article 39 (1) (b) speaks of 'increasing the individual earnings of persons engaged in agriculture' it can only mean increasing those earnings above what they would be in the absence of the Treaty. It cannot mean increasing them above what they would be given everything that flows from the Treaty other than m.c.a.'s. And when that paragraph speaks of 'a fair standard of living for the agricultural community' it is referring to a political concept, the import of which must be judged by the Council, not to a legal concept which can (in the absence, at all events, of manifest unfairness) be made the basis of a judgment of this Court.

Nor do I think that the reference to the Commission's Proposal of 5 November 1976 helps the Plaintiff's case. As the Commission itself told us, and as indeed is plain from the very text of that Proposal, the Commission's concern in putting it forward was that the system of m.c.a.'s might be diverted from its original purpose, and become a cause of disturbance in the functioning of the common market, because of the maintenance in force of inappropriate representative rates for the currencies of some Member States. It may be that this Court will have to consider one day the legal consequences of such a situation. But there has not been in the present case the slightest suggestion that the representative rate for the French franc has been at an inappropriate level at any time since 25 March 1976.

In the result I am of the opinion that there is nothing in any of the points raised in this case to cast doubt on the validity of Regulation No 652/76.

Should Your Lordships share my view as to that, Your Lordships' ruling could take one of two forms. It could give detailed answers to the questions referred to the Court by the Tribunal d'Instance. Or, following the precedents set by the Court in similar situations in the two *Balkan* cases, it could, and this is the formula I would suggest, simply state that examination of those questions has revealed nothing affecting the validity of that Regulation.