

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 1444 final

Brussels, 6 September 1974

Proposal for a

REGULATION (EEC) OF THE COUNCIL

fixing a new representative exchange rate to be
applied in agriculture for the pound sterling
and the Irish pound

(submitted to the Council by the Commission)

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Proposal for a
REGULATION (EEC) OF THE COUNCIL

fixing a new representative exchange rate to be applied in
agriculture for the pound sterling and the Irish pound.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 129 ⁽¹⁾ on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy, as last amended by Regulation (EEC) No 2543/73 ⁽²⁾, and in particular Article 3 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas Council Regulation (EEC) No 222/73 ⁽³⁾ of 31 January 1973, as amended by Regulation (EEC) No 560/73 ⁽⁴⁾, and Commission Regulation (EEC) No 270/73 ⁽⁵⁾ of 31 January 1973 fixed exchange rates to be applied in agriculture for the currencies of the new Member States;

Whereas these rates were fixed with the aim of reflecting economic realities as closely as possible; whereas this aim is not at present being achieved in the case of the United Kingdom and Irish currencies; whereas the exchange rates actually recorded for these two currencies on exchange markets have shown a depreciation of the pound of up to about 15% since that time;

Whereas it is in the Community's interest to return to a single price system; whereas this aim can be furthered by fixing for the two currencies in question a new representative rate which more closely reflects current economic realities;

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- (1) OJ No 106, 30.10.1962, p. 2553/62
(2) OJ No L 263, 19.9.1973, p. 1
(3) OJ No L 27, 1.2.1973, p. 4
(4) OJ No L 55, 28.2.1973, p. 5
(5) OJ No L 30, 1.2.1973, p. 77

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Whereas the problems raised by any alteration of the relationship between the unit of account and a national currency have led to precise rules being laid down, in particular in Council Regulation (EEC) No 1134/68 ⁽⁶⁾ of 30 July 1968 laying down rules for the implementation of Regulation (EEC) No 653/68 on conditions for alterations to the value of the unit of account used for the common agricultural policy; whereas these provisions deal only with alterations to the parity of a currency; whereas they could also be applied in the present case;

Whereas the Monetary Committee will be consulted on the fixing of the new representative rates and whereas, in view of the urgency of the situation, the measures provided for should be adopted subject to the provisions of Article 3(2) of Regulation No 129;

HAS ADOPTED THIS REGULATION:

Article 1

1. Where transactions to be carried out in pursuance of instruments relating to the common agricultural policy, or specific rules laid down under Article 235 of the Treaty, require the currencies of the new Member States to be expressed in another currency or in units of account, the exchange rate to be applied for the conversion of prices and other amounts fixed by the Council shall, in derogation from Article 2(1) of Regulation No 129, be that which corresponds to the representative rates for the currencies of those Member States.

2. The representative rates referred to in paragraph 1 shall be:

- (a) for the Danish Kroner:
the central rate for that currency;
- (b) for the pound sterling and the Irish pound:
1 pound = 2.00 units of account.

Article 2

The provisions of Regulation (EEC) No 1134/68 regarding the alteration of the relationship between the parity of the currency of a Member State and the value of the unit of account shall apply in respect of alterations to the representative rate for the pound.

(6) OJ No L 62, 8.3.1973, p. 15

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Article 3

Regulations (EEC) Nos 222/73 and 270/73 shall be repealed :

Article 4

1. This Regulation shall enter into force on 1 October 1974.
2. As regards the Member States referred to in Article 1 the representative rate shall cease to be applicable to the currency of any one of these States, as soon as that State communicates a new par value to the International Monetary Fund.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

