

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 584 final

Brussels, 8th October 1981

## PROPOSAL FOR A COUNCIL REGULATION (EEC)

amending with respect to the French franc, Regulation (EEC) No  
878/77 on the exchange rates to be applied in agriculture

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(presented by the Commission to the Council)

COM(81) 584 final

EXPLANATORY MEMORANDUM

1. Changes in the European monetary system central rates have been made with effect from 5 October 1981. For France the devaluation in regard to the currencies with unchanged rates is 3%.
  
2. The effect on trade in agricultural products should be the introduction of monetary compensatory amounts for France calculated from a monetary gap of 1.5 (3 - 1.5 neutral margin). To prevent this a corresponding devaluation should be made in the representative rate for the French franc.

The effects of such a devaluation are:

Representative rate		Devaluation	Impact	
Old	New		on national currency prices	on monetary compensatory amounts
1 FF = 0.166798 ECU	1 FF = 0.164296 ECU	1.5	+ 1.523%	0
1 ECU = 5.99526 FF	1 ECU = 6.08656			

COUNCIL REGULATION (EEC) No     /81  
of                                     1981  
amending with respect to the French franc, Regulation (EEC) No  
878/77 on the exchange rates to be applied in agriculture

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

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

Having regard to the proposal from the Commission,

Whereas the representative rates currently applicable were fixed by Council Regulation (EEC) No 878/77 of 26 April 1977 on the exchange rates to be applied in agriculture<sup>(3)</sup>, as last amended by Regulation (EEC) No 850/81<sup>(4)</sup>;

Whereas with effect from 5 October 1981 certain changes in the central rates of the Community currencies have occurred within the European monetary system; whereas these changes theoretically involve the introduction of monetary compensatory amounts in France; whereas it is possible to avoid this by changing the representative rate for the French franc;

Whereas if the introduction of monetary compensatory amounts in France is to be avoided this change must be made immediately;

Whereas the Monetary Committee will be consulted; whereas, in view of the urgency, it is necessary to adopt the measures envisaged under the conditions provided for in Article 3 (2) of Regulation No 129,

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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 106, 29.4.1977, p. 27.

(4) OJ No L 90, 4.4.1981, p. 1.

HAS ADOPTED THIS REGULATION :

Article 1

Annex IV to Regulation (EEC) No 878/77 is replaced by the Annex to this Regulation.

Article 2

This Regulation shall enter into force on                      October 1981.

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

Done at Brussels,                      1981

For the Council

ANNEX

FRANCE

1. 1 ECU = 6.08656 French francs

This rate shall apply from                      October 1981.

2. In the fisheries sector it shall however apply from 1 January 1982  
and until that date the following rate shall apply:

1 ECU = 5.84700 French francs.

# FINANCIAL STATEMENT

VI/5121/81

Date : 7 October 1981

1. BUDGET HEADING : 1981 Titles 6 and 7

APPROBIATIONS : 11.580 mio ECU  
Letter of amendmend 2/81

2. TITLE : Council Regulation amending in respect of the French franc Regulation (EEC) No.878/77 on the rates of exchange to be applied in agriculture.

3. LEGAL BASIS : Council Regulation No. 129

4. AIMS OF PROJECT : to avoid the introduction of monetary compensatory amounts in France by immediately changing the representative rate for the French franc

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR ( 1981 )	FOLLOWING FINANCIAL YEAR ( 1982 )
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	- 48	- 4	- 48
- NATIONAL ADMINISTRATION			
- <del>ECU</del>			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	- 6	token entry.	- 6
- <del>ECU</del>			
5.0.1 ESTIMATED EXPENDITURE			
5.1.1 ESTIMATED RECEIPTS			

5.2 METHOD OF CALCULATION

The reduction in expenditure and receipts results from a change in the double rate effect on expenditure and receipts, which drops from 1 to 0.986 since the representative rate is not aligned on the central rate of the French franc.

6.0 CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ?

/NO

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ?

YES

OBSERVATIONS : Adjustment of the central rate of the FF would have had the following financial impact if the representative rate of the Franch franc had remained unchanged.

<u>Expenditure (12-month period)</u>	<u>mio ECU</u>	<u>Receipts (12-month period)</u>	<u>mio ECU</u>
MCA expenditure	- 25.3	Reduction in levies	2.7
Double rate on common organization of markets	- 99.6	Double rate on levies and sugar levies	- 12.6
MCA's to be deducted from refunds	- 29		
	- 153.9		- 15.3