

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 673 final.

Brussels, 9 December 1977.

Proposal for a  
COUNCIL REGULATION

amending Regulation (EEC) No 878/77 as regards the  
exchange rate for the French franc to be applied in  
agriculture

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(submitted to the Council by the Commission)

COM(77) 673 final.



EXPLANATORY MEMORANDUM

Council Regulation (EEC) No 878/77 of 26 April 1977 on the exchange rates to be applied in agriculture (OJ No L 106, 29.4.1977, p. 27), as last amended by Regulation (EEC) No 2024/77 (OJ No L 235, 14.9.1977, p. 1) fixed a representative rate for the French franc. There is a considerable difference between this representative rate and the current market rate, with the result that the monetary compensatory amounts currently applicable are calculated by reference to a rate of 15.5.

France has requested that the Commission propose the measures required for adjusting the representative rate for the franc, with the aim of reducing the monetary compensatory amounts currently applicable. In view of the present difference in the exchange rates, it is proposed to accede to the French request and to alter the representative rate of the franc.

The following table shows the effects of the proposed measures

Old rate	Deval. in %	Effects	
		on prices in %	on MCA's
FF 1 = 0.172995 ua    FF 1 = 0,168670 ua 1 ua = 578051 FF    1 ua = 5,92874 FF	2.5	+ 2,564	reduction of 2.9 points (x)

France has also made known that it would welcome a further devaluation of the representative rate for the French franc when the decisions on farm prices for 1978/79 are taken. The Commission reserves the right to make appropriate proposals on the matter.

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(x) on 5 December 1977, the difference was 12.6 instead of 15.5

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amending Regulation (EEC) No 878/77 as  
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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 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 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 2024/77<sup>4</sup>, fixed a representative rate for the French franc; whereas the fluctuations of that currency make it appropriate that a new representative rate should be fixed at a level closer to present economic reality; whereas that rate should be applied with effect from 1 February 1978;

Whereas the Monetary Committee will be consulted; whereas in view of the urgency of the matter, the measures envisaged should be adopted in the manner specified in Article 3(2) of Regulation No 129,

HAS ADOPTED THIS REGULATION:

Article 1

In Article 2(1) of Regulation (EEC) No 878/77, subparagraph (d) is amended to read as follows:

(d) for the French franc:

1 French franc = 0.168670 unit of account.

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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 106, 29.4.1977, p. 27  
(4) OJ No L 235, 14.9.1977, p. 1

Article 2

The following paragraph is added to Article 2 of Regulation (EEC) No 878/77:

"4. The representative rate for the French franc fixed by Regulation (EEC) No ..... shall apply with effect from 1 February 1978".

Article 3

This Regulation shall enter into force on the day of its publication in the Official Journal of the European Communities.

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

Done at Brussels

For the Council

# FINANCIAL STATEMENT

VI/4587/77

DATE : 6.12.1977

1. Number of relevant budget entry: Chapters 78 and 79
2. Title of project: Proposal for a Council Regulation altering the representative rate to be applied in agriculture for the French franc.
3. LEGAL BASIS : Regulation 129, Article 3
4. Aims: Downward realignment of representative rate for the French franc by 2.5%, applicable with effect from 1.2.1978.

5. FINANCIAL Implications	FOR THE MARKETING YEAR	1978	FINANCIAL YEAR	FOLLOWING FINANCIAL YEAR
5.0 EXPENDITURE				
-CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	+ 116.6 million u.a.	+ 87.4 E million u.a.	+ 116.6 E million u.a.	+ 116.6 E million u.a.
-CHARGED TO OTHER NATIONAL GROUPS				
5.1 RECEIPTS				
-OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	+ 4.8 million u.a.	+ 4.0 E million u.a.	+ 4.8 E million u.a.	+ 4.8 E million u.a.
-NATIONAL				

Multianual timetable	YEAR ... 1980 .....	YEAR ... 1981 .....	YEAR ... 1982 .....
5.0.1 of expenditure -	+ 116.6 million EUA		
5.1.2 Multianual timetable of receipts	+ 4.8 " "	" "	

5.2 METHOD OF CALCULATION		
A) Expenditure: MCA (without dual rate)		+ 59.5 million EUA
	dual rate on common organisation of markets	+ 60.4 million EUA
	dual rate on MCA	- 3.3 million EUA
		<u>          </u>
B) Receipts: dual rate on levies		+ 116.6 million EUA
	dual rate on sugar and isoglucose levies	+ 2.1 million EUA
		+ 2.65 million EUA

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|---|--------|
| 6.0 Can the project be financed from appropriations entered in the relevant chapter of current budget? (1978) | YES/NO |
| 6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ?                                       | YES/NO |
| 6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ?  | YES/NO |
| 6.3 Appropriations to be entered in future budgets?   | YES/NO |

COMMENTS :