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(Acts whose publication is obligatory)

REGULATION (EEC) No 2958/73 OF THE COUNCIL
of 31 October 1973
on the exchange rate applied in agriculture for the Italian lire

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;

Whereas the situation referred to in Article 3 (1) of Regulation No 129, in which derogations may be made from the principle of using par values for converting one currency into another, now obtains in various Member States;

Whereas, however, it has generally been possible to solve the problems posed by such a situation by applying monetary compensatory amounts, enabling exchange rates to be maintained which correspond to the parities of the currencies concerned; whereas this arrangement has led to different price levels in the Member States affected; whereas it is possible to reduce the compensatory amounts at present applicable in trade with Italy and thus take one step on the road back to uniform farm prices in the Community;

Whereas this objective can be attained by fixing a representative conversion rate for the Italian lira at a level more closely related to the actual economic situation — in agriculture —; whereas in view of the consequences for price levels, the rate should be fixed in stages; whereas the most appropriate method would be to fix immediately a rate involving only a small change, while a second step in the desired direction would be made within a reasonable time;

Whereas to fix such a representative rate would lead to an adjustment of agricultural prices in Italy; whereas this result is consistent with the basic principle of uniformity of prices in the Community; whereas it was on the basis of this principle and its consequences that specific provisions were laid down in Council Regulation (EEC) No 1134/68 (3) 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 only cover the case of a change in the parity of a currency; whereas they should also be applied in this case;

Whereas the Monetary Committee has been consulted and whereas in view of the urgency entailed, the measures envisaged should be adopted in accordance with the conditions laid down in 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 Italian lira to be expressed in another currency or in units of account, the rate of exchange to be applied for conversion shall, in derogation from Article 2 (1) of Regulation No 129, be the rate which corresponds to the representative rate for that currency.

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

(a) with effect from 1 November 1973:

100 Italian lira = 0·153846 units of account

(1) OJ No L 106, 30. 10. 1962, p. 2553/62.
(2) OJ No L 263, 19. 9. 1973, p. 1.
(3) OJ No L 188, 1. 8. 1968, p. 1.

(b) with effect from 1 January 1974 :

100 Italian lira = 0·147493 units of account.

Article 2

1. Those provisions of Regulation (EEC) No 1134/68 which relate to an alteration of the relationship between the parity of the currency of a Member State and the value of the unit of account, in particular Articles 4, 5 and 6 thereof, shall apply in respect of each product concerned from the date on which the representative rate is fixed for that product.

2. However, the second subparagraph of Article 4 (1) of Regulation (EEC) No 1134/68 shall not apply when the representative rate specified in Article 1 (2) (b) is introduced.

Article 3

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

It shall cease to have effect at such times as the Italian Republic shall declare a new parity to the International Monetary Fund.

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

Done at Brussels, 31 October 1973.

For the Council

The President

Ib FREDERIKSEN