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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 652/79

of 29 March 1979

on the impact of the European monetary system on the common agricultural policy

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 28, 43 and 235 thereof,

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 (1), as last amended by Regulation (EEC) No 2543/73 (2), and in particular to Article 3 thereof,

Having regard to the proposal from the Commission (3),

Having regard to the opinion of the European Parliament (4),

Having regard to the opinion of the Economic and Social Committee (5),

Having regard to the opinion of the Monetary Committee,

Whereas Regulations (EEC) No 3180/78 (6) and (EEC) No 3181/78 (7) introduced a unit of account called the ECU as the basis of the new European monetary system ; whereas this unit of account should also be applied for the purposes of the common agricultural policy ; whereas under the existing provisions the ECU will be used for calculating the monetary compensatory amounts and will thereby determine the common price level ;

Whereas the value of the ECU does not correspond to the value of the unit of account (u.a.) used hitherto ; whereas, in order to maintain the common level of prices, the amounts fixed in units of account must be multiplied by the coefficient indicating for the currencies of the countries party to the joint float agreement, the relationship between the radio of their central rates to the European monetary unit of account, and the ratio of their central rates to the ECU on the date of entry into force of the European monetary system ; whereas, in order to prevent changes in the level of the prices and other amounts in national currencies, the representative rates must then be adjusted by using the same coefficient as that to be applied to the amount expressed in units of account ; whereas the representative rates at present applicable in agriculture were fixed by Regulation (EEC) No 878/77 (8), as last amended by Regulation (EEC) No 643/79 (9) ;

Whereas Article 2 of Council Regulation (EEC) No 974/71 of 12 May 1971 on certain measures of conjunctural policy to be taken in agriculture following the temporary widening of the margins of fluctuation for the currencies of certain Member States (10), as last amended by Regulation (EEC) No 557/76 (11), provides that the monetary compensatory amounts for Member States with floating currencies shall be calculated on the basis of a difference between the representative rate and the actual rate minus 1·50 points if the currency has depreciated ; whereas, in order to ensure continuity in calculating the monetary compensatory amounts, this rule should also be applied where a Member State with a depreciated currency which had been floating joins the Member States, the currencies of which are maintained within 2·25 % of one another at any given moment ; whereas, however, this must not lead to excessive franchises in trade ; whereas it further appears appropriate also to introduce the idea of a franchise for Member States with an appreciated currency ; whereas it is however necessary to avoid too great a difference developing between the prices of the Member States, which is not covered by monetary compensatory amounts ;

(1) OJ No 106, 30. 10. 1962, p. 2553/62.
(2) OJ No L 263, 19. 9. 1973, p. 1.
(3) OJ No C 294, 8. 12. 1978, p. 2.
(4) OJ No C 6, 8. 1. 1979, p. 64.
(5) Opinion delivered on 19 and 20 December 1978 (not yet published in the Official Journal).
(6) OJ No L 379, 30. 12. 1978, p. 1.
(7) OJ No L 379, 30. 12. 1978, p. 2.
(8) OJ No L 106, 29. 4. 1977, p. 27.
(9) OJ No L 83, 3. 4. 1979, p. 1.
(10) OJ No L 106, 12. 5. 1971, p. 1.
(11) OJ No L 67, 15. 3. 1976, p. 1.

Whereas the changeover to the new system could present unforeseen difficulties which would require immediate action ; whereas therefore the Commission should be authorized to adopt the necessary measures in accordance with the management committee procedure and, where appropriate, by way of derogation from the existing provisions ;

Whereas the Council has decided to postpone fixing the prices for the 1979/80 marketing year to 30 June 1979 ; whereas, in connection with this decision, introduction of the ECU into the common agricultural policy should be limited as a first step to this same period,

HAS ADOPTED THIS REGULATION :

Article 1

The amounts fixed in units of account for the purposes of the common agricultural policy or special trade arrangements for goods resulting from the processing of agricultural products shall be expressed in ECU by means of a coefficient of 1·208953.

Article 2

Regulation (EEC) No 878/77 is hereby amended as follows :

(a) In Articles 1 and 2a the words 'unit(s) of account' shall be replaced by 'ECU'.

(b) In Article 2a, the exchange values of the currencies indicated therein shall be replaced by the amounts produced by applying the coefficient referred to in Article 1 of this Regulation to the amounts applicable at present.

Article 3

Regulation (EEC) No 974/71 is hereby amended as follows :

(a) The last sentence of Article 2 (1) (b) shall be deleted.

(b) The following paragraph shall be added to Article 2 :

'1a. The percentage referred to in paragraph 1 (a) shall be reduced by :

— 1·50 points in the case of Member States whose currency has depreciated,

— one point in the case of other Member States whose currency is revalued after the entry into force of Council Regulation (EEC) No 652/79 of 29 March 1979 on the impact of the European monetary system on the common agricultural policy [1].

The average of the percentages referred to in paragraph 1 (b) shall be reduced by 1·50 points.

However, for the Member States referred to in paragraph 1 (a), 1 % shall be applied as long as the percentage obtained after deducting one or 1·50 points, as the case may be, is less than 1·1 and more than 0.

[1] OJ No L 84, 4. 4. 1979, p. 1.'

Article 4

The necessary rules for the application of this Regulation, in particular the transitional provisions to facilitate the changeover to the new monetary system, shall be adopted in accordance with the procedure laid down in Article 26 of Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals [1], as last amended by Regulation (EEC) No 1254/78 [2], or, where appropriate, in the corresponding Articles of the other agricultural Regulations establishing similar procedures, if necessary by way of derogation from the existing rules, where and for so long as strictly necessary to take account of this Regulation.

Article 5

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

It shall apply from 9 April to 30 June 1979.

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

Done at Brussels, 29 March 1979.

For the Council

The President

P. MEHAIGNERIE

[1] OJ No L 281, 1. 11. 1975, p. 1.
[2] OJ No L 156, 14. 6. 1978, p. 1.