

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 644 final

Brussels, 3 December 1976

Proposal for a
COUNCIL REGULATION (EEC)

extending Council Regulation No 3310/75 on
agriculture in the Grand Duchy of Luxembourg

(submitted to the Council by the Commission)

COM(76) 644 final

EXPLANATORY MEMORANDUM

1. It is laid down in Article 2 of Council Regulation (EEC) No 541/70¹ of 20 March 1970 on agriculture in the Grand Duchy of Luxembourg that the provisions of the second subparagraph of Article 1(1) of the Protocol on the Grand Duchy of Luxembourg are to remain applicable until full harmonization of specific duties on wine in the Community is achieved.

The second subparagraph of Article 1(1) of the Protocol referred to above lays down to Belgium, the Grand Duchy of Luxembourg and the Netherlands should apply the system provided for in the third paragraph of Article 6 of the Convention on the Economic Union of Belgium and Luxembourg of 25 July 1921.

The second paragraph of Article 2 of Regulation (EEC) n° 541/70 lays down that if such harmonization is not achieved, and in any event not later than 31 December 1973, the Council shall, acting by a qualified majority on a proposal from the Commission, decide to what extent these provisions must be retained amended or abolished.

Article 1 of Council Regulation (EEC) No 3535/73² of 17 December 1973 extends this period until 31.12.1974.

Article 1 of Council Regulation (EEC) No 3192/74³ of 17 December 1974 extends this period until 31 December 1975.

Council Regulation (EEC) No 3310/75⁴ of 16 December 1975 extends this period as long as the excise duties charged in the Benelux countries on products falling within sub-headings Nos 22.05 CI or II of the Common Customs Tariff do not exceed the level in force on 1 January 1975, but in any event not later than 31 December 1976. It provides that, should these excise duties be increased in whatever form it may be in one or another Benelux country, the tax exemption accorded on the market of concerned countries to Luxembourg wines may not exceed the degree of exemption in force on 1 January 1975.

This provision, which is in accordance with the Commission's Recommendation to the Member States⁵ on taxation of wine, aims at assuring that the commercial advantage at present held by Luxembourg wines on the market of the Benelux countries is not increased. An increase of this kind could cause a distortion of competition which would not be compatible with the proper functioning of the common market in agriculture.

2. With regard to specific duties, the Commission proposed to the Council a directive⁶ on the harmonization of the excise duties on wine. The Council has not yet taken a decision on this matter, however.

3. In 1970, the Council adopted Regulation (EEC) No 816/70⁷ laying down additional provisions for the common organization of the market in wine, including a system of intervention for table wines. However the maintenance of the more favourable system on the Benelux market for wines originating in Luxembourg will continue over the next few years to be of benefit to the agricultural income of the Grand Duchy of Luxembourg in the sector concerned.

This system has not created any appreciable barrier to the free movement of
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¹OJEC No L 68, 25.3.1970

²OJEC N) L 361, 29.12.1973

³OJEC No L 341, 20.12.1974

⁴OJEC No L 328, 20.12.1975

⁵OJEC No L 2, 7.1.1976

⁶OJEC No C 43, 27.04.1972

⁷OJEC No L 99, 5.05.1970.

wines of other origins in the Benelux countries. On the contrary, the absorption capacity of those markets is constantly on the increase.

4. Belgium and the Netherlands having put into effect, in 1976, a special excise duty on wine concerned, it is proposed that the exceptionnal system provided in the second sub-paragraph of Article 1 (1) of the protocol should be extended until 31 December 1977, while maintaining above mentioned provisions of Council Regulation (EEC) No 3310/75 of 16 December 1975.

It is also proposed that the Council, acting by a qualified majority on a proposal from the Commission, should decide, before 31 December 1976, to what extent this exceptionnal system must be retained, amended or abolished.

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COUNCIL REGULATION (EEC)

extending Council Regulation No 3310/75 on
agriculture in the Grand Duchy of Luxembourg

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 541/70 of 20 March 1970 on
agriculture in the Grand Duchy of Luxembourg¹;

Having regard to Council Regulation (EEC) No 3310/75 of 16 December 1975
on agriculture in the Grand Duchy of Luxembourg, in particular the
first paragraph of Article 2 thereof;

Having regard to the proposal from the Commission;

Whereas, under the second subparagraph of Article 1(1) of the Protocol
on the Grand Duchy of Luxembourg, Belgium and the Netherlands are to apply
the system provided for in the third paragraph of Article 6 of the Convention
on the Economic Union of Belgium and Luxembourg of 25 July 1921;
whereas Regulations (EEC) Nos 541/70, 3535/73³, 3192/74⁴, and 3310/75 provide
that such system is to remain applicable until full harmonization of specific duties
on wine in the Community is achieved, but not beyond 31 December 1976;
whereas, however, the Council has to decide to what extent these provisions
should be retained amended or discontinued;

Whereas at the present time the harmonization of specific duties on wine in
the Community has not been achieved; whereas the application of the said
system in favour of Luxembourg wines will continue to be of benefit to the
agricultural income of the Grand Duchy of Luxembourg in the sector concerned.

Whereas, having regard to the other reasons set out in Regulation (EEC) No 541/70
and 3310/75, this latter Council Regulation should now be extended,

HAS ADOPTED THIS REGULATION :

Article 1

The date '31 December 1976' in Article 1(1) of Council Regulation
(EEC) No 3310/75 of 16 December 1975 on agriculture in the Grand Duchy of
Luxembourg is replaced by '31 December 1977'.

Article 2

This Regulation shall enter into force on 1 January 1977.

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

Done at Brussels,

For the Council

The President

¹OJEC No L 68, 25.3.1970, p. 3

²OJEC No L 328, 20.12.1975, p. 12

³OJEC No L 361, 29.12.1973, p. 1

⁴OJEC No L 341, 20.12.1974, p. 6.

