

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 445 final

Brussels, 18 July 1975

Proposal for a

REGULATION (EEC) OF THE COUNCIL

on the production subsidies which the United Kingdom is authorized to retain in respect of cereals

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

By Regulation (EEC) No _____, the Council fixed a new representative rate for the pound sterling, taking effect from 1 August. The rise in prices in terms of the national currency resulting from this new representative rate raises a particular problem in the United Kingdom. Under Article 44 of the Act attached to the Treaty of Accession, the United Kingdom is authorized to retain, under conditions laid down in Regulation (EEC) No. 749/73 of the Council (OJ No L 72, 20 March 1973), a system of national subsidies known as the guaranteed price system. This Regulation stipulates that the aforementioned system must be abolished as soon as the intervention price established in connection with the common organization of the market in cereals reaches, in the United Kingdom, a level exceeding that of the guaranteed price. According to information available before the beginning of the 1975/76 marketing year in this sector, the applicable conversion rate was such as to permit the retention of the national system. British producers were so informed several weeks ago and the guaranteed price was fixed at the level expected. The increase in intervention prices resulting from the new conversion rate, however, leads to a situation in which the conditions for the abolition of the national system are now fulfilled. As a result, British producers will be deprived of a support system on whose maintenance they had assumed they could rely. In these circumstances, it seems appropriate that the system should continue to be applied until the end of the 1975/76 year.

This is the object of the proposal for a regulation attached herewith.

The proposal requires consultation of the European Parliament. The Parliament could be requested to give its opinion at the first autumn session, to enable the regulation to be adopted by the Council in October.

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Treaty of Accession⁽¹⁾, and in particular Article 54(3) of the Act attached thereto, hereinafter referred to as "Act";

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas Article 54 of the Act lays down that, during the transitional period, the United Kingdom is authorized to retain production subsidies for such time as there is a difference in that Member State between prices obtained under the national system of guaranteed prices and market prices resulting from the application of the mechanisms of the common agricultural policy and the provisions of Title II of the Act; whereas those subsidies may not have the effect of raising the returns of producers above the level which would have resulted from the application to these returns of the rules for the alignment of prices;

Whereas Council Regulation (EEC) No 749/73⁽²⁾ of 19 March 1973 on production subsidies which the United Kingdom is authorized to maintain in respect of certain agricultural products laid down the general rules in accordance with which the subsidies in question must be calculated; whereas, furthermore, that Regulation determined the conditions in which the system of guaranteed prices will be discontinued; whereas with regard in particular to the market in cereals, in which the system in question still applies to wheat, barley and oats, Article 7 of that Regulation lays down that the system of guaranteed prices will be discontinued as soon as possible, and in any case as soon as:

(1) OJ No L 73, 27.3.1972, p. 5

(2) OJ No L 72, 20.3.1973, p. 1

- (a) in the case of wheat and barley, the adjusted intervention prices, defined in Article 2 of that Regulation, effective in the United Kingdom;
- (b) in the case of oats, the adjusted intervention price for barley effective in the United Kingdom, multiplied by the coefficient referred to in Article 3(2)(b) of that Regulation,

is equal to or exceeds the guaranteed price applicable to these products;

Whereas, following the fixing of a new representative rate for the pound sterling, those conditions will be fulfilled from 11 August 1975; whereas, however, the 1975/76 marketing year for the products in question started on 1 August 1975; whereas, under those circumstances, the production subsidies in question should not be discontinued until the end of that marketing year;

HAS ADOPTED THIS REGULATION:

Article 1

By way of derogation from Article 7(1) of Regulation (EEC) No 749/73, the system of guaranteed prices applied in the United Kingdom in respect of cereals shall be discontinued on 31 July 1976.

Article 2

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

It shall take effect on 1st August 1975.

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

Done at Brussels,

For the Council
The President

