COM 1816

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 638 final
Brussels, 5 December 1975

HILLMAN

Proposal for a

REGULATION (EEC) OF THE COUNCIL

on agriculture in the Grand Duchy of Luxembourg

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. It is laid down in Article 2 of Council Regulation (EEC) No 541/70[1] 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 the 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 Concil 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 3535/73[2] of 17 December 1973 extends this period until 31.12.1974.
   Article 1 of Council Regulation (EEC) No 3192/74[3] of 17 December 1974 extends the period until 31 December 1975.

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

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[1] OJEC No L 68, 25.3.1970
[2] OJEC No C 43, 27.4.1972
[3] OJEC No L 361, 29.12.1973
[4] OJEC No L 341, 20.12.1974.

3. In 1970, the Council adopted Regulation (EEC) No 816/70[1] 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 wines of other origins in the Benelux countries. On the contrary, the absorption capacity of those markets is constantly on the increase.

However, it would seem desirable to prevent any increase in the excise duties on wines at present in force in the Benelux countries, in accordance with the Commission Recommendation to the Member States of

If the provisions of Council Regulation (EEC) No 3192/74 were retained, such an increase would result in a corresponding increase in the commercial advantage at present held by Luxembourg wines on the market of the Benelux countries. A discrepancy of this kind could cause a distorsion of competition which would not be compatible with the proper functioning of the common market in agriculture.
It is therefore proposed that the exceptional system provided for in the second subparagraph of Article 1(1) of the protocol should be maintained until 31 December 1976, provision being made to ensure that, in the intervening period, the commercial advantage at present held on the market of the Benelux countries by wines originating in Luxembourg is not increased.

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 these provisions must be retained or amended.

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[1] OJEC No L 99, 5.5.1970

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Proposal for a

REGULATION (EEC) OF THE COUNCIL

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 the Protocol on the Grand Duchy of Luxembourg;

Having regard to Council Regulation (EEC) No 541/70[1] of 20 March 1970 on agriculture in the Grand Duchy of Luxembourg;

Having regard to Council Regulation (EEC) No 3535/73[2] of 17 December 1973 on agriculture in the Grand Duchy of Luxembourg, and in particular the second paragraph of Article 1 thereof;

Having regard to Council Regulation (EEC) No 3192/74[3] of 17 December 1974 on agriculture in the Grand Duchy of Luxembourg, and in particular the second paragraph of Article 1 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 and 3192/74 provide that such system is to remain applicable until full harmonization of specific duties on wine in the Community is achieved but in any event not beyond 31 December 1975; whereas, however, the Council is to decide to what extent these provisions must be retained or amended;

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[1] OJEC No L68, 25.3.1970

[2] OJEC No L361, 29.12.1973

[3] OJEC No L 341, 20.12.1974.

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, for the other reasons given in Regulation (EEC) No 541/70, the said system should now be prolonged for one year;

Whereas it is desirable, however, to avoid any increase in the commercial advantage which wines originating in Luxembourg at present hold on the market of the Benelux countries by virtue of the second subparagraph of Article 1 (1) of the Protocol on the Grand Duchy of Luxembourg;

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HAS ADOPTED THIS REGULATION :

Article 1

The provisions of the second subparagraph of Article 1(1) of the Protocol on the Grand Duchy of Luxembourg shall remain applicable as long as the excise duties charged in the Benelux contries on products falling within sub-headings Nos 22.05 C I or II of the Common Customs Tariff remain at the level in force on 1 January 1975.

Should these excise duties be increased, **whatever form such increase may take, in a Benelux country, the tax exemption accorded on the market of the countries concerned to products falling within sub-heading No 22.05 C I or II of** the Common Customs Tariff and originating in Luxembourg may not exceed the degree of exemption in force on 1 January 1975.

Article 2

This Regulation shall enter into force on 1 January 1976.

Its provisions **shall remain applicable until full harmonization of specific duties on wine in the Community is achieved, but in any event not beyond 31 December 1976.**

The Council, acting by a qualified majority on a proposal from the Commission, shall decide to what extent these provisions **are to be retained or amended after that date.**

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

For the Council

The President