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**COMMISSION OF THE EUROPEAN COMMUNITIES**

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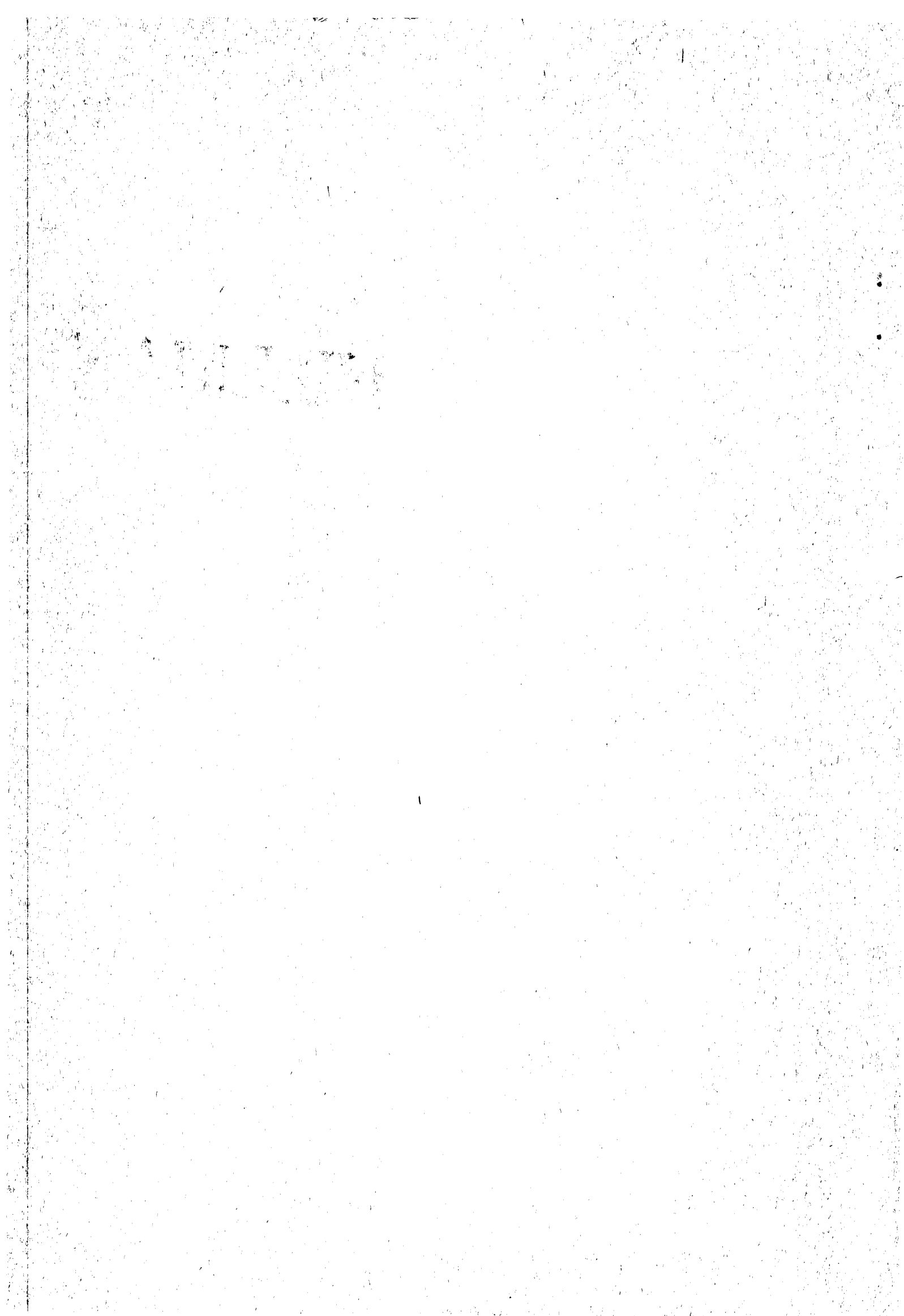
Proposal for a  
COUNCIL REGULATION (EEC)

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

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(submitted to the Council by the Commission)

COM(77) 632 final



EXPLANATORY MEMORANDUM

1. It is laid down in Article 2 of Council Regulation (EEC) No 541/70<sup>1</sup> 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 3535/73<sup>2</sup> of 17 December 1973 extends this period until 31.12.1974.

Article 1 of Council Regulation (EEC) No 3192/74<sup>3</sup> of 17 December 1974 extends this period until 31 December 1975.

Council Regulation (EEC) No 3310/75<sup>4</sup> 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 States<sup>5</sup> on taxation of wine, aims at assuring that the commercial advantage held on 1.1.1975, 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. Article 1 of Council Regulation (EEC) No 3166/76<sup>6</sup> of 21.12.76 retains provisions of Council Reg. (EEC) No 3310/75 until 31.12.1977.

2. With regard to specific duties, the Commission proposed to the Council a directive<sup>7</sup> 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 816/70<sup>7</sup> 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

<sup>1</sup>OJ No L 68, 25.3.1970 p. 3

<sup>2</sup>OJ N) L 361, 29.12.1973 p. 1

<sup>3</sup>OJ No L 341, 20.12.1974 p. 6

<sup>4</sup>OJ No L 328, 20.12.1975 p.12

<sup>5</sup>OJ No L 2, 7.1.1976

<sup>6</sup>OJ No C 43, 27.04.1972

<sup>7</sup>OJ No L 99, 5.05.1970.

\*OJ No L 357, 29.12.76 p.13

2

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 1978, while maintaining above mentioned provisions of Council Regulation (EEC) No 3310/75 of 16 December 1975.

Proposal for a  
COUNCIL REGULATION (EEC)

extending the term of 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 Luxembourg<sup>1</sup>;

Having regard to Council Regulation (EEC) No 3310/75<sup>2</sup> of 16 December 1975 on agriculture in the Grand Duchy of Luxembourg, as amended by Regulation (EEC) No 3166/76<sup>3</sup>, and in particular the second 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, 3535/73<sup>4</sup>, 3192/74<sup>5</sup>, 3310/75 and 3166/76 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 1977; whereas, however, the Council has to decide to what extent these provisions should be retained, amended or discontinued;

Whereas at the present time the harmonisation 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, the term of this latter Council Regulation should now be extended.

HAS ADOPTED THIS REGULATION :

Article 1

In Article (1) of Council Regulation (EEC) No 3310/75 of 16 December 1975 on agriculture in the Grand Duchy of Luxembourg, the date '31 December 1977' is replaced by '31 December 1978'.

Article 2

This Regulation shall enter into force on 1 January 1978.

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

Done at Brussels,

For the Council,

The President

<sup>1</sup> OJ No L 68, 25.3.1970, p.3

<sup>2</sup> OJ No L 328, 20.12.1975, p.12

<sup>3</sup> OJ No L 357, 29.12.1976, p.13

<sup>4</sup> OJ No L 361, 29.12.1973, p.1

<sup>5</sup> OJ No L 341, 20.12.1974, p.6

