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REGULATION (EEC) No 541/70 OF THE COUNCIL

of 20 March 1970

on agriculture in the Grand Duchy of Luxembourg

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof;

Having regard to the Protocol on the Grand Duchy of Luxembourg, and in particular the second subparagraph of Article 1 (2) thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas, under the first subparagraph of Article 1 (1) of the Protocol on the Grand Duchy of Luxembourg, that State is authorised, by reason of the special position of its agriculture, to maintain quantitative restrictions on the importation of the products included in the list annexed to the Decision of the Contracting Parties to the General Agreement on Tariffs and Trade of 3 December 1955 concerning the agriculture of Luxembourg;

Whereas such derogations are not in accordance with the principle of the free movement of goods; whereas the measures taken by the Grand Duchy of Luxembourg make it possible to integrate its agriculture into the common market; whereas, therefore, these derogations should be abolished;

Whereas, under the second subparagraph of Article 1 (1) of the Protocol, Belgium, Luxembourg 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 the application of that system in favour of Luxembourg wines will continue to be of considerable benefit in the next few years to the agricultural income of the Grand Duchy of Luxembourg in the sector concerned; whereas, moreover, such application is not likely to form a major obstacle to the free movement of the products concerned within the Community; whereas in these circumstances provision should be made for the extension of that system for a limited period;

Whereas the abolition of the system of derogations provided for in the first subparagraph of Article 1 (1) of the Protocol will affect the present level of income of Luxembourg farmers; whereas, in order both to stabilise these incomes and to bring about complete integration of Luxembourg agriculture into the common market, the Government of the Grand Duchy of Luxembourg proposes to introduce a series of measures of a structural nature; whereas it is appropriate that the Community should contribute financially to the effort undertaken by that Government in this respect;

HAS ADOPTED THIS REGULATION:

Article 1

The provisions of the first subparagraph of Article 1 (1) of the Protocol on the Grand Duchy of Luxembourg shall no longer apply.

Article 2

The provisions of the second subparagraph of Article 1 (1) of the Protocol on the Grand Duchy of Luxembourg shall remain applicable until full harmonisation of specific duties on wine in the Community is achieved.

If such harmonisation 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 3

By way of derogation from the provisions of Article 11 (2) and Articles 13 to 22 of Council Regulation

No 17/64/EEC[1] of 5 February 1964 on the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund, an amount of 7·5 million units of account shall be paid in advance to the Grand Duchy of Luxembourg, under the 1970 budget, from the resources of the Guidance Section of the European Agricultural Guidance and Guarantee Fund.

This amount shall be deducted from the credits provided for in Article 3 (1) and (3) of Council Regulation (EEC) No 1534/69[2] of 29 July 1969 on granting aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund for the year 1970; however, this amount shall be deducted from the credits provided for in Article 3 (2) of that Regulation, if the extent to which they have been used so permits.

This amount must be used for operations intended to integrate Luxembourg agriculture into the common market, taking into account the Commission Recommendation of 26 May 1965 addressed to the Grand Duchy of Luxembourg regarding the law on agricultural guidance[3].

That Member State shall be entitled to share in any funds remaining in the Guidance Section of the Fund, under the conditions in force and on the same footing as the other Member States.

Before 1 January 1973 the Grand Duchy of Luxembourg must submit a report to the Commission on the measures which have been taken, accompanied by supporting documents in respect of expenditure.

Article 4

This Regulation shall enter into force on 1 May 1970.

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

Done at Brussels, 20 March 1970.

For the Council

The President

P. HARMEL

[1] OJ No 34, 27.2.1964, p. 5863/64.
[2] OJ No L 189, 2.8.1969, p. 1.
[3] OJ No 105, 15.6.1965, p. 1810/65.