REGULATION (EEC) No 1410/75 OF THE COMMISSION
of 30 May 1975
on the granting of aid for the private storage of flax fibres

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 1308/70 ([1]) of 29 June 1970 on the common organization of the market in flax and hemp, as last amended by the Act ([2]) concerning the conditions of accession and the adjustments to the Treaties, and in particular Article 5 (1) thereof;

Whereas Article 5 of Regulation (EEC) No 1308/70 provides for the granting of private storage aid when the supply of flax fibres shows a temporary imbalance when compared with the foreseeable demand; whereas Council Regulation (EEC) No 1172/71 ([3]) of 3 June 1971 laying down general rules concerning private storage aid for flax and hemp fibres specifies the principal items to be taken into account to ascertain the existence of such imbalance;

Whereas during the current marketing year Community production of long flax fibres will be slightly greater than that of the last marketing year; whereas, on the other hand, foreseeable imports of these fibres will be slightly less than those of the last marketing year;

Whereas during recent months the demand for fibres on the part of Community and of third country users has fallen significantly compared to last year; whereas this situation threatens to continue due to the current crisis in the textile industry;

Whereas the market situation has been characterized for some weeks by a marked fall in prices; whereas in view of the foreseeable development of demand for fibres this downward trend is likely to continue;

Whereas, because of a reduction in the area shown, a fall in the production of flax during the coming marketing year is to be anticipated; whereas, taking into account the decrease in consumption of this product, it may be expected that during the first months of the said marketing year the balance between the supply of fibres and their foreseeable demand will be restored;

Whereas an assessment of the market situation, of which the main points are set out above, thus leads to the conclusion that a temporary imbalance does exist between the supply of long flax fibres and the foreseeable demand for these fibres; whereas in these circumstances aids for the private storage of these fibres should be granted in accordance with the provisions of Commission Regulation (EEC) No 1524/71 ([4]) of 16 July 1971 laying down detailed rules concerning private storage aid for flax and hemp fibres; whereas in view of the foreseeable trend of the market during the coming months provision should be made to prevent storage contracts being concluded in respect of fibres of the new crop; whereas to this end the conclusion of contracts should not be permitted after the end of the current marketing year;

Whereas the maximum quantity which may be the subject of a contract should be specified taking into account the need on the one hand to remove gradually the surplus from the market and on the other to simplify the administration of the system of storage aids;

Whereas the temporary imbalance referred to above is likely to continue until the beginning of the next marketing year, and whereas the storage contract arrangements could cover a relatively large quantity of fibres, amounting to up to some 20 % of Community production of long fibres; whereas in these circumstances a fixed term of three or four months should be set for such contracts;

Whereas by virtue of Article 8 (2) (b) of Regulation (EEC) No 1172/71 the term of existing contracts may in certain circumstances be curtailed; whereas provision should therefore be made to specify, in addition to the aid to be paid where the obligations under the contract are fulfilled, the deductions to be made where the storage term is thus reduced;

Whereas the measures provided for in this Regulation are in accordance with the Opinion of the Management Committee for Flax and Hemp,

([1]) OJ No L 146, 4. 7. 1970, p. 1.
([2]) OJ No L 73, 27. 3. 1972, p. 14.
([3]) OJ No L 123, 5. 6. 1971, p. 7.
([4]) OJ No L 160, 17. 7. 1971, p. 16.

HAS ADOPTED THIS REGULATION :

Article 1

With effect from 1 June 1975 intervention agencies of producer Member States shall grant in accordance with the provisions of Regulation (EEC) No 1524/71 and of this Regulation private storage aid for flax fibres of Community origin.

Article 2

1. Private storage aid may be granted only in respect of long flax fibres.

2. For the purposes of this Regulation, 'long flax fibres' means : flax, scutched, hackled (combed) but not otherwise processed or spun, excluding flax tow, flax waste and pulled or garnetted rags.

Article 3

1. The maximum quantity per contract shall be 50 000 kilogrammes.

2. Contracts may not be concluded before the flax fibres have been put into storage.

Article 4

1. Without prejudice to the provisions of Article 8 (2) (b) of Regulation (EEC) No 1172/71, contracts shall be concluded for a fixed term which at the option of the storer may be of either three or four months.

2. Contracts may not be concluded after 31 July 1975.

Article 5

1. The amount of the aid shall be 1·00 unit of account per 100 kg per month.

2. Should Article 8 (2) (b) of Regulation (EEC) No 1172/71 be applied, the amount of the aid shall be reduced in proportion with the reduction in the term of the contract.

Article 6

For the purposes of this Regulation, a month shall mean a period of 30 days.

Article 7

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

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

Done at Brussels, 30 May 1975.

For the Commission

P. J. LARDINOIS

Member of the Commission