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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 298/78

of 13 February 1978

amending Regulation (EEC) No 3331/74 on the allocation and alteration of the basic quotas for sugar

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3330/74 of 19 December 1974 on the common organization of the market in sugar [1], as last amended by Regulation (EEC) No 2560/77 [2], and in particular Articles 24 (3) and 34 thereof,

Having regard to the proposal from the Commission,

Whereas, since the common organization of the market in sugar entered into force, production in the French departments of Guadeloupe and Martinique has never reached the amount of the basic quotas allocated to the undertakings established in these departments and the area under sugar cane has actually declined on Martinique; whereas the production outlook does not indicate any change in this situation for most of the undertakings concerned;

Whereas in the French department of Reunion, the area given over to sugar cane could be extended; whereas the only alternative crop, that of the geranium, is in steady decline and the outlook for it is poor;

Whereas, in the department of Reunion, sugar cane is grown by approximately 15 000 planters working small areas; whereas, therefore, the possibility of extending these areas should be taken up so that these planters can enjoy a more equitable income; whereas the planters' incomes cannot be improved unless the basic quotas of the sugar undertakings for which they produce are increased;

Whereas, therefore, it should be made possible for Reunion to be allocated a part of the French Republic's basic quantity assigned by Regulation (EEC) No 3330/74 to its overseas departments which is not used up in Guadeloupe and Martinique; whereas an increase should therefore be authorized in the percentage limit up to which the French Republic may modify the basic quotas for the undertakings established in its overseas departments; whereas this will require an amendment to Council Regulation (EEC) No 3331/74 of 19 December 1974 on the allocation and alteration of the basic quotas for sugar [3],

HAS ADOPTED THIS REGULATION:

Article 1

The following paragraph 3 is added to Article 2 of Regulation (EEC) No 3331/74:

'3. By way of derogation from the first, second and third subparagraphs of Article 24 (2) of Regulation (EEC) No 3330/74 and paragraph 1 of this Article, the French Republic may, under the plans for restructuring the sugar-cane and sugar sectors in its overseas departments, reduce the basic quota for each undertaking established in these departments by a quantity not exceeding, for the entire period 1 July 1977 to 30 June 1980, 10 % of the basic quota applicable to each undertaking during the 1976/77 sugar marketing year.

Further, for the 1977/78 marketing year, the reduction in the basic quota may not exceed the difference between the basic quota originally applicable for this marketing year and the production achieved within this basic quota.

The French Republic shall allocate the amended quotas before the end of the marketing year preceding that of their application. However, for

(1) OJ No L 359, 31. 12. 1974, p. 1.
(2) OJ No L 303, 28. 11. 1977, p. 1.
(3) OJ No L 359, 31. 12. 1974, p. 18.

the 1977/78 sugar marketing year, the amended quotas shall be allocated before the end of the said marketing year.

The restructuring plans and the resultant measures affecting the basic quotas shall be communicated forthwith to the Commission.'

Article 2

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

It shall apply with effect from 1 July 1977.

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

Done at Brussels, 13 February 1978.

For the Council

The President

P. DALSAGER