COMMISSION REGULATION (EEC) No 1965/81

of 14 July 1981

on the granting of aid for the private storage of long flax and hemp 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 of 29 June 1970 on the common organization of the market in flax and hemp [1], as last amended by Regulation (EEC) No 814/76 [2], 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 foreseeable demand; whereas Council Regulation (EEC) No 1172/71 of 3 June 1971 laying down general rules concerning private storage aid for flax and hemp fibres [3] specifies the principal items to be taken into account to ascertain the existence of such an imbalance, as well as the beneficiary;

Whereas, during the current marketing year, Community production and imports of hemp and long flax fibres are likely to be such as to suggest that the quantities available will be lower than in the previous 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 time 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 sown, a fall in the production of flax and hemp during the coming marketing year is to be anticipated; whereas, taking into account the decrease in consumption of these products, 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 and hemp fibres and the foreseeable demand for these fibres; whereas in these circumstances aid for the private storage of these fibres should be granted in accordance with the provisions of Commission Regulation (EEC) No 1524/71 of 16 July 1971 laying down detailed rules concerning private storage aid for flax and hemp fibres [4], 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 contracts should be required to be concluded before 1 September 1981;

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 half way through the next marketing year for flax and until the end of that marketing year for hemp; whereas the storage contract arrangements could cover a relatively large quantity of fibres, amounting to up to some 20 % of Community production of such fibres; whereas in these circumstances a fixed term of from three to six months should be set for such contracts for flax and of from nine to 12 months for hemp;

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 recuced;

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 94, 9. 4. 1976, p. 4.
(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 15 July 1981 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 and hemp fibres of Community origin.

Article 2

1. Private storage aid may be granted only in respect of long flax fibres and hemp harvested prior to 1981.

2. For the purposes of this Regulation :

(a) 'long flax fibres' means : flax, scutched, hackled (combed) or otherwise processed but not spun, excluding flax tow, flax waste and pulled or garnetted rags ;

(b) 'hemp fibres' means : hemp, scutched, hackled (combed) or otherwise processed but not spun, excluding hemp waste and pulled or garnetted rags or ropes.

Article 3

1. The maximum quantity per contract shall be 200 tonnes.

2. The contract may be concluded only with persons in possession of the product before 1 July 1981.

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

— three, four, five or six months for flax,

— nine, 10, 11 or 12 months for hemp.

2. Contracts must be concluded not later than 31 August 1981.

Article 5

1. The amount of the aid shall be (per 100 kg per month) :

— 2·25 ECU for flax,

— 0·82 ECU for hemp.

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, 14 July 1981.

For the Commission

The President

Gaston THORN