

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 1824 final

Brussels, 7 November 1974

PROPOSAL FOR A
COUNCIL DECISION (EEC)

authorizing the Netherlands, following the raising of
the central rate for the Dutch guilder, to grant
temporary aid in respect of agricultural products

(submitted to the Council by the Commission)

COM(74) 1824 final

EXPLANATORY MEMORANDUM

On 17 September 1973 the Netherlands Government raised the central rate for the guilder, as a result of which the Council adopted Regulation (EEC) No. 2544/73 which had the effect of fixing common agricultural prices expressed in guilders on the basis of a new conversion rate.

Consequently, there has been a drop in common agricultural prices expressed in guilders and in returns from Dutch agriculture.

To offset the financial drawbacks for farmers the Council authorized the Netherlands to grant aid to agricultural producers until 30 April 1974.

This aid was granted for a period of seven months. In view of the adverse effect which a lowering of agricultural prices has temporarily on production levels it appears desirable to maintain for one year the aids destined to compensate for the lowering of prices which has occurred in the Netherlands, such aids are to be definitely terminated by 30 April 1975.

It should, moreover, be pointed out that the Council, by its Decision of 21 January 1974 on additional measures to be taken in agriculture following the revaluation of the German mark, authorized the Federal Republic of Germany to extend temporarily the financial compensation paid since 1970 to agricultural producers.

The Commission believes that an extension of the aid granted by the Netherlands government could help speed up the adjustment of agriculture to the impact of the revaluation of September 1973 and that it should, therefore, be authorized to continue granting such aid.

The attached proposal for a Decision has this object.



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authorizing the Netherlands, following the raising of the central rate for the Dutch guilder, to grant temporary aid in respect of agricultural products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas the raising of the central rate for the Dutch guilder on 17 September 1973 has led, by virtue of the application of Council Regulation (EEC) No. 2544/73⁽¹⁾ on the exchange rate to be applied in agriculture for the Dutch guilder, to a reduction in agricultural prices expressed in guilders by reason of the conversion of such prices, fixed in units of account for the purposes of the common agricultural policy, to the new rate;

Whereas Council Regulation (EEC) No. 3141/73⁽²⁾ of 19 November 1973 on measures to be taken in agriculture following the rise in the central rate for the Dutch guilder authorized the Netherlands to grant aid to agricultural producers for a period of seven months ending on 30 April 1974;

Whereas, in view of the adverse effect which a lowering of agricultural prices temporarily has on production levels the Netherlands Government should be authorized to maintain, for the 1974/75 marketing year, the aids destined to compensate for the lowering of prices, which has occurred in the Netherlands, such aids should however be definitely terminated by 30 April 1975,

HAS ADOPTED THIS DECISION:

(1) OJ No L 263, 19.9.1973, p. 2
(2) OJ No L 321, 22.11.1973, p. 1

Article 1

1. The Kingdom of the Netherlands is hereby authorized to continue to grant to agricultural producers the aid provided for in Regulation (EEC) No. 3141/73.
2. The aid referred to in paragraph 1 may not, in respect of any given product sector, exceed 2% of the value of the relevant products marketed by producers during the period 1 May 1974 to 30 April 1975.
3. The aid referred to in paragraph 1 may be granted in the form of a single lump-sum payment.
4. The total amount of aid referred to in paragraph 1 may not exceed 135 million guilders.

Article 2

The Kingdom of the Netherlands shall inform the Commission before 28 February 1975 of the methods adopted for granting the aid referred to in Article 1.

Article 3

This Decision is addressed to the Kingdom of the Netherlands.

Done at Brussels,

For the Council

The President