

COMMISSION OF THE EUROPEAN COMMUNITIES,

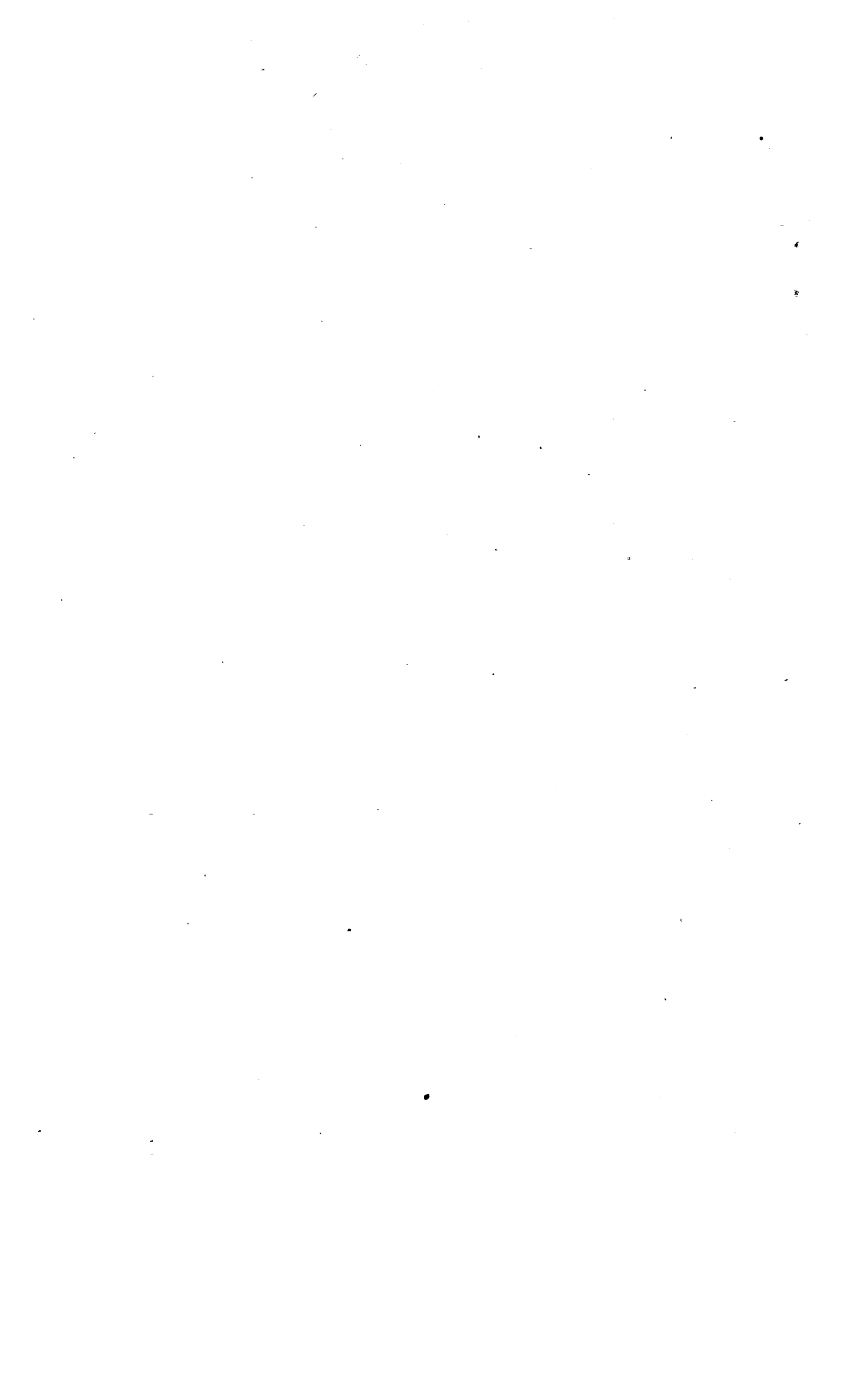
COM(77) 118 final.

Brussels, 7 April 1977

Proposal for a
COUNCIL REGULATION (EEC)
amending Regulation (EEC) No 2727/75 on the common organization of
the market in cereals

(submitted to the Council by the Commission)

COM(77) 118 final.



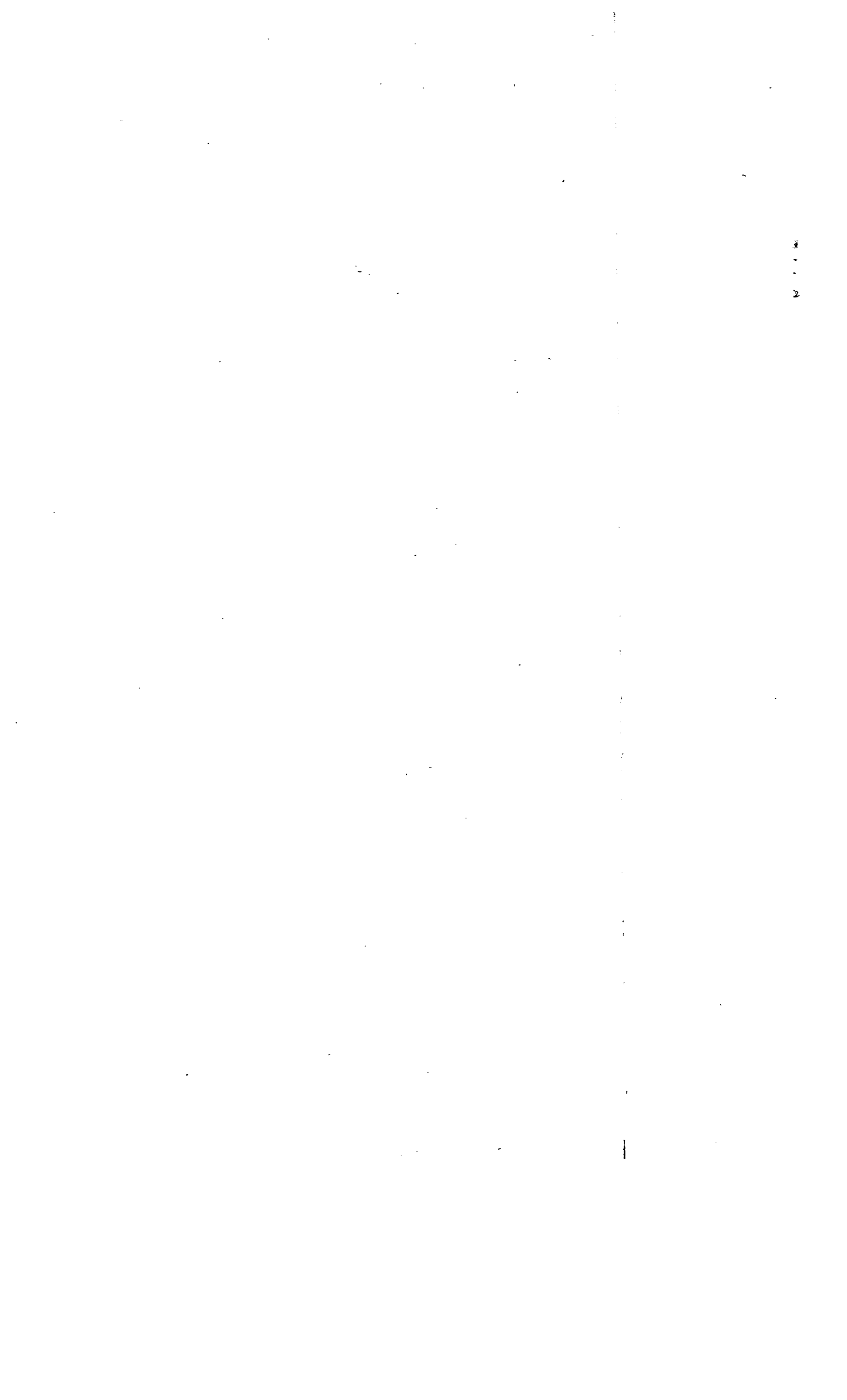
EXPLANATORY MEMORANDUM

1. The French overseas departments are subject to certain provisions of the Treaty of Rome. The first subparagraph of Article 227(2) of the Treaty lays down that the provisions relating to agriculture, with the exception of those concerning the European Agricultural Guidance and Guarantee Fund, are applicable to the French overseas departments.

The second subparagraph of the said paragraph however, lays down that the conditions for the application of the provisions of the Treaty which are not yet applicable in accordance with the first subparagraph are to be determined by decisions of the Council, acting unanimously on a proposal from the Commission. This also applies therefore to the provisions concerning the EAGGF.

2. In the past, the Council, on the basis of this same second subparagraph, has provided for the financing by the EAGGF Guarantee Section of expenditure incurred in the overseas departments in the sugar and raw tobacco sectors. In 1975, the Council also adopted a Regulation providing for the financing of a system of aid for pineapples produced in these departments.
3. Since the common organization of the market in cereals was established in 1967, the Community relating thereto have been applied to the overseas departments. As regards finance, the resulting expenditure is currently charged to the French budget while import charges are considered as own resources entered in the Community budget.

This system presented no major disadvantages as things stood in 1967. Since then, however, the situation has changed, with the development, albeit modest, of the milling capacity in these departments. This activity is of some importance to the economy of the departments in question. It is therefore proposed that the provisions concerning the EAGGF Guarantee Section should apply to the said departments also in respect of cereals.



Proposal for
COUNCIL REGULATION (EEC)

amending Regulation (EEC) N° 2727/75 on the common organization
of the market in cereals

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 227 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas the expenditure incurred by the Member States as a result of the obligations arising out of the application of Council Regulation (EEC) N° 2727/75 of 29 October 1975 on the common organization of the market in cereals (1), as last amended by Regulation (EEC) N° 3138/76 (2), is borne by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund in accordance with Articles 2 and 3 of Council Regulation (EEC) N° 729/70 of 21 April 1970 on the financing of the common agricultural policy (3), as last amended by Regulation (EEC) N° 2788/72 (3);

Whereas, however, pursuant to Article 227(2) of the Treaty and in the absence of provisions to the contrary to be adopted by the Council, this Community financing does not apply to expenditure arising from the application of Regulation (EEC) N° 2727/75 in the French overseas departments;

Whereas, once activities develop in the cereals sector in these departments and these activities acquire a certain importance for the local economy, it is no longer justifiable to exclude from Community financing the expenditure incurred there under the Community rules applicable to the sector concerned.

(1) OJ N° L 281, 1.11.1975, p. 1.

(2) OJ N° L 354, 24.12.1976, p. 1.

(3) OJ N° L 94, 28.4.1970, p. 13.

(4) OJ N° L 295, 30.12.1972, p. 1.

HAS ADOPTED THIS REGULATION:

Article 1

The following Article 23a shall be added to Regulation (EEC) No 2727/75:

"Article 23a

Article 40 (4) of the Treaty and the relevant implementing provisions shall, insofar as they relate to the Guarantee Section of the European Agricultural Guidance and Guarantee Fund, apply to the French overseas departments in respect of the products referred to in Article 1".

Article 2

This Regulation shall enter into force on 1 August 1977.

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

Done at

For the Council

The President

FINANCIAL STATEMENT

DATE :

1. BUDGET LINE CONCERNED : Chapter 60

2. ACTION : Proposal for a Council Regulation amending Regulation (EEC) N° 2727/75 or the common organization of the market in cereals

3. LEGAL BASIS : Articles 43 and 227 of the Treaty

4. OBJECTIVES : Application of the provisions concerning the EAGGF Guarantee Section to the overseas departments in respect of cereals

| 5. FINANCIAL CONSEQUENCE | FOR THE MARKETING YEAR | CURRENT FINANCIAL YEAR (77) | FOLLOWING FINANCIAL YEAR (78) |
|---|------------------------|-----------------------------|-------------------------------|
| 5.0 EXPENDITURE 1 -CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) -CHARGES TO NATIONAL AUTHORITIES -CHARGES TO OTHER NATIONAL BODIES | 2.4 M.u.a. | 0.6 m.u.a. | 2.6 m.u.a. |
| 5.1 RECEIPTS -ON RECHARGE OF THE EC (LEVIES/COOPERATIVE SALES) -NATIONAL | | | |

| | YEAR ...78..... | YEAR79..... | YEAR80..... |
|--|-----------------|-------------------|-------------------|
| 5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE | 2.6 m.u.a. | 2.6 m.u.a. | 2.6 m.u.a. |
| 5.1.1 PLURIANNUAL PATTERN OF RECEIPTS | | | |

5.2 METHOD OF CALCULATION

See below

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/NO

COMMENTS :

- 1 Not counting the effect of the double rate; this effect is at present only slight for the currency concerned.
- 2 Calculated on the basis of entry into force on 1 August 1977 and a 2-month term of payment. In practice, this period could be longer, which would reduce expenditure for the 1977 financial year.

Financial Statement continued

5.2. METHOD OF CALCULATION

The financial consequence will be confined to.

- a) the refunds to be granted on exports of (common wheat) flour and by-products of cereals (bran)
- b) carry-over payments where applicable

a) Flour quantities : 30.000 t
Rate of refund : 80 u.a./t
(current level)

Expenditure/12 months 2.4 m.u.a.

Bran Quantities : 10 000 t
Rate of refund : 20 u.a./t*

Expenditure/12 months : 0.2 m.u.a.

*Note : For 1976/77 : refund granted
on bran : 0

Estimated maximum refund in a normal year : 20 u.a./t bran

b) Carry-over payments

Quantities : + 15.000 t
Payment : + 3 u.a./t (estimate)
Expenditure : + 50.000 u.a. i.e. 0.05 m.u.a.
