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## REGULATION (EEC) No 1308/70 OF THE COUNCIL

of 29 June 1970

on the common organisation of the market in flax and hemp

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<sup>1</sup>;

Having regard to the Opinion of the Economic and Social Committee<sup>2</sup>;

Whereas the operation and development of the common market in agricultural products must be accompanied by the establishment of a common agricultural policy to include in particular a common organisation of agricultural markets which may take various forms depending on the product;

Whereas the aim of the common agricultural policy is to attain the objectives set out in Article 39 of the Treaty; whereas the main feature of the market in flax is that total production exceeds consumption in the Community, while that of the market in hemp is that total production is lower than Community consumption; whereas on both these markets prices must be kept competitive with world prices for these products and for competing natural textiles; whereas, therefore, appropriate measures should be taken to stabilise the market, to ensure a fair income to the producers concerned and, in the case of flax, to promote the rational marketing of production;

Whereas to that end provision should be made for measures to facilitate the adjustment of supply to market requirements, and aid should be granted which takes the place of national aids to production; whereas, in view of the characteristics of flax and hemp production, provision should be made in

respect of that aid for a system fixing a flat rate per hectare;

Whereas the production of flax and hemp shows considerable fluctuation which can significantly affect the level of prices; whereas to prevent or mitigate any substantial fall in those prices it must be possible to take appropriate intervention measures;

Whereas, in order to stabilise the market and facilitate the marketing of the products in question, the conclusion of contracts between buyers and producers of flax straw and hemp straw should be encouraged and Community standard provisions should be laid down to govern contractual relations between them;

Whereas the proposed measures with regard to aid and intervention must be such as to allow for an import system which is confined to applying the Common Customs Tariff; whereas the latter automatically applies from 1 January 1970 in pursuance of the Treaty;

Whereas these measures as a whole should make it possible to dispense with quantitative restrictions at the external frontiers of the Community; whereas, however, these measures may, in exceptional circumstances, prove defective; whereas, in such cases, so as not to leave the Community market without defence against disturbances which may arise therefrom after the import barriers which existed previously have been removed, the Community should be enabled to take all necessary measures without delay;

Whereas in the internal trade of the Community the levying of any customs duty or any charge having equivalent effect and the application of any quantitative restriction or any measure having equivalent effect is automatically prohibited from 1 January 1970 under the provisions of the Treaty; whereas, since there were no minimum prices on 31 December 1969, recourse to Article 44 (6) of the Treaty is automatically prohibited from 1 January 1970;

<sup>1</sup> OJ No C 25, 28.2.1970, p. 62.

<sup>2</sup> OJ No C 78, 25.6.1970, p. 12.

Whereas the effectiveness of all the measures which govern the common organisation of the market in flax and hemp would be jeopardised if certain aids were granted by Member States; whereas, therefore, the provisions of the Treaty which allow the assessment of aids granted by Member States and the prohibition of those which are incompatible with the common market should be made to apply to flax and hemp;

Whereas in accordance with the provisions governing the financing of the common agricultural policy provision must be made for the Community to take financial responsibility for expenditure incurred by Member States as a result of the obligations arising out of the application of this Regulation;

Whereas the transition from the system in force in the Member States to that established by this Regulation should be effected as smoothly as possible; whereas, therefore, transitional measures may prove to be necessary;

Whereas the common organisation of the market in flax and hemp must take appropriate account, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty;

Whereas, in order to facilitate implementation of the proposed measures, a procedure should be provided for establishing close co-operation between Member States and the Commission within a Management Committee;

HAS ADOPTED THIS REGULATION:

#### Article 1

1. The common organisation of the market in flax and hemp shall cover the following products:

CCT heading No	Description of goods
54.01	Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)
57.01	True hemp ( <i>Cannabis sativa</i> ), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)

2. For the purposes of this Regulation:

- (a) 'flax straw' means flax (*Linum usitatissimum* L), raw or retted;
- (b) 'hemp straw' means true hemp, raw or retted;

- (c) 'flax fibres' means flax (*Linum usitatissimum* L), scutched, hackled (combed) or otherwise processed but not spun, flax tow, flax waste and pulled or garnetted rags;
- (d) 'hemp fibres' means true hemp, scutched, combed or otherwise processed but not spun, and tow and waste of true hemp including pulled or garnetted rags or ropes.

#### Article 2

In order to encourage action by trade and joint trade organisation to facilitate the adjustment of supply to market requirements, the following Community measures may be taken in respect of the products listed in Article 1 (1):

- (a) measures to promote better organisation of production, marketing and processing into fibres of flax straw and hemp straw;
- (b) measures to improve quality;
- (c) measures to promote research into new uses.

General rules concerning these measures shall be adopted in accordance with the procedure laid down in Article 43 (2) of the Treaty.

#### Article 3

The marketing year for flax and hemp shall begin on 1 August of each year and end on 31 July of the following year.

#### Article 4

1. A system of aid shall be introduced for flax and hemp grown in the Community.

Such aid, the amount of which shall be uniform throughout the Community for each of these products, shall be fixed each year before 1 August for the marketing year beginning in the following calendar year. However, the amount of aid for the 1970/71 marketing year shall be fixed before 1 August 1970.

2. The amount of aid shall be so fixed per hectare of area sown and harvested as to ensure an even balance between the volume of production required in the Community and the amount that can be marketed. To that end the Commission shall submit each year to the Council a report enabling it to assess these factors and their foreseeable development.

When the amount of aid is being fixed account shall be taken of the price for flax and hemp fibres and seeds on the world market and of the price for other competing natural products.

3. The amount of aid shall be fixed in accordance with the procedure laid down in Article 43 (2) of the Treaty.

4. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt general rules for the application of this Article.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 12.

#### Article 5

1. If the supply of flax or hemp fibres shows a temporary imbalance when compared with the foreseeable demand, a decision shall be taken, in accordance with the procedure laid down in Article 12, whereby the intervention agencies designated by the producer Member States shall give holders of fibres originating in the Community the opportunity to conclude storage contracts.

Private storage aid shall be granted to holders of fibres who have concluded such contracts.

2. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt general rules for the application of this Article.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 12.

#### Article 6

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt standard provisions to which contracts concluded between producers and buyers of flax or hemp must conform, in particular in respect of the general conditions governing purchase, delivery and payment.

#### Article 7

Save as otherwise provided in this Regulation or where derogation therefrom is decided by the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, the following shall be prohibited in trade with third countries:

- (a) the levying of any charge having effect equivalent to a customs duty;
- (b) the application of any quantitative restriction or any measure having equivalent effect.

#### Article 8

1. If by reason of imports or exports the Community market in one or more of the products listed in Article 1 (1) experiences or is threatened with serious disturbances which may endanger the objectives set out in Article 39 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt detailed rules for the application of this paragraph and define the cases in which and the limits within which Member States may take protective measures.

2. If the situation mentioned in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures; the measures shall be communicated to the Member States and shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within twenty-four hours following receipt of the request.

3. The measures decided upon by the Commission may be referred to the Council by any Member State within three working days following the day on which they were communicated. The Council shall meet without delay. It may amend or repeal the measures in question in accordance with the voting procedure laid down in Article 43 (2) of the Treaty.

#### Article 9

Save as otherwise provided in this Regulation, Articles 92 to 94 of the Treaty shall apply to the production of and trade in the products listed in Article 1 (1).

#### Article 10

Member States and the Commission shall communicate to each other the information necessary for implementing this Regulation. Such information shall be defined in accordance with the procedure laid down in Article 12. Rules for the communication and distribution of such information shall be adopted in accordance with the same procedure.

#### Article 11

1. A Management Committee for Flax and Hemp (hereinafter called the 'Committee') shall be established, consisting of representatives of Member

States and presided over by a representative of the Commission.

2. Within the Committee the votes of Member States shall be weighted in accordance with Article 148 (2) of the Treaty. The Chairman shall not vote.

#### *Article 12*

1. Where the procedure laid down in this Article is to be followed, the Chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.

2. The representative of the Commission shall submit a draft of the measures to be taken. The Committee shall deliver its Opinion on such measures within a time-limit to be set by the Chairman according to the urgency of the questions under consideration. An Opinion shall be adopted by a majority of twelve votes.

3. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the Opinion of the Committee, they shall forthwith be communicated by the Commission to the Council. In that event the Commission may defer application of the measures which it has adopted for not more than one month from the date of such communication.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty, may take a different decision within one month.

#### *Article 13*

The Committee may consider any other question referred to it by its Chairman either on his own

initiative or at the request of the representative of a Member State.

#### *Article 14*

This Regulation shall be so applied that appropriate account is taken, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty.

#### *Article 15*

The provisions governing the financing of the common agricultural policy shall apply from 1 August 1970 to the market in the products listed in Article 1 (1).

#### *Article 16*

Should transitional measures be necessary to facilitate the transition from the system in force in the Member States to that established by this Regulation, in particular if the introduction of the new system on the date provided for would give rise to substantial difficulties, such measures shall be adopted in accordance with the procedure laid down in Article 12. They shall be applicable until 31 July 1971.

#### *Article 17*

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

The system established by this Regulation shall apply from 1 August 1970, except for the measures provided for in Article 16 which may be applied from the date of entry into force of this Regulation.

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

Done at Luxembourg, 29 June 1970.

*For the Council*

*The President*

Ch. HEGER