

HILLMAN

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 7 July 1975

DRAFT

REGULATION (EEC) OF THE COUNCIL

on the opening, allocating and administration of a Community tariff quota for raw silk (not thrown) falling within heading No 50.02 of the Common Customs Tariff for 1976.

DRAFT

REGULATION (EEC) OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota for yarn entirely of silk, other than yarn of noil or other waste silk, not put up for retail sale, falling within heading No ex 50.04 of the Common Customs Tariff for 1976

DRAFT

REGULATION (EEC) OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota for yarn spun entirely from silk waste other than noil, not put up for retail sale, falling within heading No ex 50.05 of the Common Customs Tariff for 1976.

(submitted by the Commission to the Council)

1

EXPLANATORY MEMORANDUM

1. Following the review of the problem of silk within the Community, provided for in Protocol No VIII annexed to the Rome Agreement of 2 March 1960 relating to list G, the Council passed a Resolution at its meeting of 29-31 May 1967 which provides, in particular, that, with effect from 1 January 1970 :

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2. On expiry of the transitional period referred to in Article 8 of the Treaty, the Council, acting on the basis of Article 28 of the Treaty, shall decide that until 31 December 1976 the suspension of the Common Customs Tariff duty which is provided for in Protocol No VIII shall not be applied. In order to enable user industries to cover their requirements from the world market, the Council shall at the same time open a nil-duty Community tariff quota for the period up to 31 December 1976.

The amount of that tariff quota, to be fixed by the Council each year, shall correspond to the difference between the total consumption of raw silk and the amount produced in the Community.

3. Together with the decision concerning the non-application of the tariff suspension referred to in paragraph 2 above, the Council shall decide that during the period in which the tariff suspension referred to in paragraph 2 is not applied, silk yarn (tariff heading No 50.04) and yarn spun from silk waste other than noil (tariff heading No 50.05) shall be subject not to the reduced duties indicated in Protocol No IX, but to the Common Customs Tariff duties at the normal rates provided for each case. At the same time the Council shall, for the same period, open reduced or nil duty Community tariff quotas if there are changes in supply sources or insufficient supplies within the Community which could have a prejudicial effect on Member State processing industries.

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Since that time Protocol Nos VIII and IX annexed to the Rome Agreement relating to list G, which were the basis for the aforesaid Resolution, have

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been revoked by Article 49 of the Act of Accession. However, the Resolution itself is still in force and the economic object which it aimed to achieve undoubtedly remains valid. The tariff quotas in question should therefore be opened for 1976 and the new Member States should share in those quotas.

2. As regards 1976, the problem of raw silk and of the two types of yarn has been re-examined by the Commission departments. The results of this examination are as follows :

- Raw silk (not thrown)

For several years, Community production has been insufficient. Thus, according to present estimates, in 1976 Community production will not exceed some 350 metric tons. As for consumption, there are no reliable statistics which could be used to determine the amount of the 1976 quota. It has therefore been necessary to make use of the estimates concerning import requirements submitted by the Member States, which amount to a total of 2 500 metric tons for 1976, which figure has been adopted for the tariff quota.

- Silk yarn and yarn spun from silk waste other than noil, entirely of silk

The yarn in question is of certain very specific qualities, which are classified under tariff heading Nos 50.04 and 50.05, but for which no statistical subdivisions have been created. In the absence of statistics on this yarn it has been necessary for the purpose of determining the amounts of the quotas to make use, as in the case of raw silk, of the estimates concerning imports requirements submitted by the Member States. Total requirements for 1976 amount to 60 metric tons of silk yarn and 190 metric tons of yarn spun from silk waste other than noil, which figures have been adopted for the tariff quotas.

These results were approved by the government experts at the meeting held on 14/18 April 1975.

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3. As regards quota duties, the Commission is in possession of no information which would lead it to alter the 1976 rates of duty, i.e. 2.5% for silk yarn and 1% for yarn spun from silk waste other than noil; the Resolution itself provided that raw silk should be free of duty.

ANNEX A

Draft

REGULATION (EEC) No .../75 OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota for raw silk (not thrown), falling within heading No 50.02 of the Common Customs Tariff for 1976

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof;

Having regard to the draft Regulation submitted by the Commission;

Whereas, in accordance with the resolution passed at its meeting of 29 to 31 May 1967, the Council, by its Regulation (EEC) No 321/70⁽¹⁾, reintroduced until 31 December 1976 the 10 % autonomous duty of the Common Customs Tariff for raw silk (not thrown) falling within heading No 50.02; whereas the conventional duty for that product is 5 %;

Whereas the resolution aforesaid further provides for the opening, in respect of that period and for that product, of annual Community tariff quotas exempt from customs duties; whereas the amount of those quotas should correspond to the difference between the total consumption of raw silk and the amount produced in the Community;

Whereas raw silk is produced in the Community and whereas it is in the Community's interest to maintain this production on its territory; whereas that production can be estimated at 350 metric tons for 1976; whereas taking account of this production and of the forecasts for 1976, the imports needed to satisfy consumption within the Community can be estimated at 2 500 metric tons;

Whereas equal and continuous access to the quota should be ensured for all Community importers and the rate of levy for the tariff quota should be applied consistently to all imports of the product in question until the quota is used up; whereas utilization of the Community tariff quota based on an allocation between the Member States concerned would in the

light of the principles outlined above appear consistent with the Community nature of the quota;

Whereas in view of these factors the initial percentage shares in the quota volume can for 1976 be expressed approximately as follows:

Benelux	0.25
Denmark	0.25
Germany	10.50
France	37.50
Ireland	0.25
Italy	45.00
United Kingdom	6.25

Whereas, to take account of future import trends for the product under consideration, the total quota volume should be divided into two successive amounts to give importers some degree of certainty, the first being allocated and the second held as a reserve to cover at a later date the requirements of Member States who have used up their initial share; whereas to give importers some degree of certainty the first successive amount of the Community tariff quota should in the event be fixed at 80 % of the total quota;

Whereas the initial shares may be used up more or less quickly; whereas, therefore, to avoid disruption of supplies any Member State which has almost used up its initial share, must draw a supplementary share from the reserve; whereas this must be done by each Member State as each one of its supplementary shares is almost used up and as many times as the reserve allows; whereas the initial and supplementary shares must be valid until the end of the quota period; whereas this form of administration requires close collaboration between the Member States and the Commission, and the Commission must be in a position to follow the extent to which the quota volume has been used up and inform the Member States thereof;

⁽¹⁾ OJ No L 43, 24. 2. 1970, p. 2.

Whereas if, at a given date in the quota period, a considerable quantity is left over in a Member State, it is essential that such State should return a substantial proportion to the reserve, to prevent part of the total quota from remaining unused in one Member State while it could be used in others;

Whereas since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg, are jointly represented by the Benelux Economic Union any measure concerning the administration of the quota-shares allocated to that Economic Union may be carried out by one of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January to 31 December 1976 the autonomous duty of the Common Customs Tariff for raw silk (not thrown), falling within heading No 50.02 shall be totally suspended in respect of a Community tariff quota of 2 500 metric tons.

2. Within the limits of this tariff quota, the new Member States shall apply the duties calculated in accordance with the relevant provisions of the Act of Accession.

Article 2

1. A first successive amount of 2 000 metric tons of this tariff quota shall be allocated among the Member States; shares shall, subject to Article 5, be valid until 31 December 1976 and shall be as follows:

Benelux	5 metric tons
Denmark	5 metric tons
Germany	210 metric tons
France	750 metric tons
Ireland	5 metric tons
Italy	900 metric tons
United Kingdom	125 metric tons

2. The second successive amount, of 500 metric tons, shall be held in reserve.

Article 3

1. If 90 % or more of a Member State's initial share specified in Article 2 (1) or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, that Member State shall without delay, by notifying the Commission, draw a second share, to the extent that the reserve is sufficient, equal to 10 % of its initial share, rounded up where necessary to the next unit.

2. If, after its initial share has been used up, 90 % or more of the second share drawn by a Member State has been used up, that Member State shall without

delay, under the conditions laid down in paragraph 1, draw a third share equal to 5 % of its initial share.

3. If, after its second share has been used up, 90 % or more of the third share drawn by a Member State has been used up, that Member State shall without delay, under the same conditions, draw a fourth share equal to the third.

This process shall apply until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, the Member States may draw shares lower than those fixed in those paragraphs if there are grounds for considering that those fixed may not be used up. They shall inform the Commission of their reasons for applying this paragraph.

Article 4

Supplementary shares drawn pursuant to Article 3 shall be valid until 31 December 1976.

Article 5

The Member States shall return to the reserve, not later than 1 October 1976, the unused portion of their initial share which, on 15 September 1976, is in excess of 20 % of the initial amount. They shall return a greater portion if there are grounds for considering that it may not be used up. The Member States shall, not later than 1 October 1976 notify to the Commission the total quantities of the raw silk imported up to and including 15 September 1976 and charged against the Community tariff quota and any quantities of the initial share returned to the reserve.

Article 6

The Commission shall keep an account of the shares opened by the Member States pursuant to Articles 2 and 3 and shall, as soon as it has been notified, inform each State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 October 1976, of the amount held in reserve after amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which finally uses up the reserve is limited to the balance available and to this end shall specify the amount thereof to the Member State making the last drawing.

Article 7

1. The Member States shall take all appropriate measures to ensure that supplementary shares drawn pursuant to Article 3 are opened in such a way that charges may be made, without interruption, against their cumulative shares of the Community quota.

6

2. Each Member State shall ensure that importers of the said product established in its territory have free access to the shares allocated to it.

3. The extent to which a Member State has used up its share shall be determined on the basis of quantities of the imports in question entered for home use.

Article 8

The Member States shall regularly inform the Commission of imports actually charged against their shares.

Article 9

The Member States and the Commission shall cooperate closely to ensure that this Regulation is observed.

Article 10

This Regulation shall enter into force on 1 January 1976.

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

Done at Brussels,

For the Council

The President

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Draft

REGULATION (EEC) No .../75 OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota for yarn, entirely of silk, other than yarn of noil or other waste silk, not put up for retail sale, falling within heading No ex 50.04 of the Common Customs Tariff for 1976

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof;

Having regard to the draft Regulation submitted by the Commission;

Whereas, in accordance with the resolution passed at its meeting of 29 to 31 May 1967, the Council, by its Regulation (EEC) No 322/70⁽¹⁾, reintroduced until 31 December 1976 the 12 % autonomous duty of the Common Customs Tariff for silk yarn, other than yarn of noil or other waste silk, not put up for retail sale, falling within heading No ex 50.04; whereas the conventional duty for that product is 7 %;

Whereas the resolution aforesaid further provides for the opening in respect of that period and for such silk yarn of an annual Community tariff quota with reduced or nil duty where a change in the sources of supply or an insufficient supply within the Community might have adverse results for the processing industries in the Member States;

Whereas silk yarn is produced in the Community; whereas, although that production could cover all the Community requirements by reason of its overall volume, this does not apply with regard to yarn entirely spun from silk; whereas there is, as a result, an insufficient supply in the Community;

Whereas consequently Community supply for those qualities of yarn depends to a considerable extent on imports; whereas full application of the duty under the Common Customs Tariff would result in those products being subjected to a considerable customs charge while products manufactured from silk yarn face powerful competition from similar products manufactured from other material; whereas an insufficient supply, added to competition at finished product level, might have adverse results for the Community's processing industries;

Whereas the duty under the Common Customs Tariff applicable on imports of the silk yarn in question is 7 %; whereas, when fixing the quota duty, it is appro-

priate to take into account, on the one hand, the situation of the Community silk yarn producing industry and, on the other, that of the silk yarn processing industries with regard to their obtaining supplies on favourable terms; whereas a quota duty of 2.5 % could best satisfy the abovementioned requirements;

Whereas the trend in imports during 1974 suggests that the import requirements of the yarns in question might be in the region of 60 metric tons for 1976; whereas the opening of a Community tariff quota of that volume is unlikely to harm Community production;

Whereas equal and continuous access to the quota should be ensured for all importers and the rate of levy for the tariff quota should be applied consistently to all imports of the product in question until the quota is used up; whereas, utilization of the Community tariff quota in the light of the principles outlined above based on an allocation between the Member States concerned would appear consistent with the Community nature of the quota; whereas to represent as closely as possible the actual trend of the market in the product in question the allocation should follow proportionately the requirements of the Member States calculated both from statistics of imports during a representative reference period and from the economic outlook for the tariff year in question;

Whereas the corresponding imports of the products falling within the tariff heading No 50.04 of each of the Member States concerned during the past three years for which complete statistics are available represent the following percentages of total Community imports of these products:

	1972	1973	1974
Benelux	0.7	0.0	5.0
Denmark	0.2	0.0	0.0
Germany	18.6	15.8	28.0
France	17.1	17.1	17.0
Ireland	1.4	0.0	7.0
Italy	50.0	52.6	39.0
United Kingdom	12.0	14.5	4.0

Whereas in view of these factors and of the forecasts which it is possible to make the initial percentage,

⁽¹⁾ OJ No L 43, 24.2.1970, p. 5.

shares in the quota volume can be expressed approximately as follows:

Benelux	2,1
Denmark	2,1
Germany	36,4
France	25,5
Ireland	2,1
Italy	27,7
United Kingdom	4,3

Whereas, to take account of future import trends for the product under consideration, the total quota volume should be divided into two successive amounts, the first being allocated and the second held as a reserve to cover at a later date the requirements of Member States who have used up their initial share; whereas to give importers some degree of certainty the first successive amount of the Community quota should in the event be fixed at 78 % of the total quota;

Whereas the initial shares may be used up more or less quickly; whereas, therefore, to avoid disruption of supplies any Member State which has almost used up its initial share, must draw a supplementary share from the reserve; whereas this must be done by each Member State as each one of its supplementary shares is almost used up, and as many times as the reserve allows; whereas the initial and supplementary shares must be valid until the end of the quota period; whereas this form of administration requires close collaboration between the Member States and the Commission, and the Commission must be in a position to follow the extent to which the quota volume has been used up and inform the Member States thereof;

Whereas if, at a given date in the quota period, a considerable quantity is left over in a Member State, it is essential that such State should return a substantial proportion to the reserve, to prevent part of the total quota from remaining unused in one Member State while it could be used in others;

Whereas since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are jointly represented by the Benelux Economic Union, any measure concerning the administration of the shares allocated to that Economic Union may be carried out by one of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January to 31 December 1976, the autonomous duty of the Common Customs Tariff for yarn entirely of silk, other than yarn of noil or other waste silk, not put up for retail sale, falling within heading No ex 50.04 shall be suspended at 2.5 % in respect of a Community tariff quota of 60 metric tons.

2. Within the limits of the tariff quota, the new Member States shall apply the duties calculated in

accordance with the relevant provisions of the Act of Accession.

Article 2

1. A first successive amount of 47 metric tons of this Community tariff quota shall be allocated among the Member States; the shares shall, subject to Article 5, be valid until 31 December 1976 and shall be as follows:

Benelux	1 metric ton
Denmark	1 metric ton
Germany	17 metric tons
France	12 metric tons
Ireland	1 metric ton
Italy	13 metric tons
United Kingdom	2 metric tons

2. The second successive amount, of 13 metric tons, shall be held in reserve.

Article 3

1. If 90 % or more of a Member State's initial share specified in Article 2 (1), or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, that Member State shall without delay, by notifying the Commission, draw a second share, to the extent that the reserve is sufficient, equal to 10 % of its initial share, rounded up where necessary to the next unit.

2. If, after its initial share has been used up, 90 % or more of the second share drawn by a Member State has been used up, that Member State shall without delay, under the conditions laid down in paragraph 1, draw a third share equal to 5 % of its initial share.

3. If, after its second share has been used up, 90 % or more of the third share drawn by a Member State has been used up, that Member State, shall without delay, under the same conditions, draw a fourth share equal to the third.

This process shall apply until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, the Member States may draw shares lower than those fixed in those paragraphs if there are grounds for considering that those fixed may not be used up. They shall inform the Commission of their reasons for applying this paragraph.

Article 4

Supplementary shares drawn pursuant to Article 3 shall be valid until 31 December 1976.

Article 5

The Member States shall return to the reserve, not later than 1 October 1976, the unused portion of their initial share which, on 15 September 1976, is in excess of 20 % of the initial amount. They shall return a greater

portion if there are grounds for considering that it may not be used up.

The Member States shall, not later than 1 October 1976 notify to the Commission the total quantities of silk yarn imported up to and including 15 September 1976 and charged against the Community tariff quota and any quantities of the initial share returned to the reserve.

Article 6

The Commission shall keep an account of the shares opened by the Member States pursuant to Articles 2 and 3 and shall, as soon as it has been notified, inform each State of the extent to which the reserve has been used up.

It shall inform the Member States not later than 5 October 1976 of the amount held in reserve after amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which finally uses up the reserve is limited to the balance available and to this end shall specify the amount thereof to the Member State making the last drawing.

Article 7

1. The Member States shall take all appropriate measures to ensure that supplementary shares drawn

pursuant to Article 3 are opened in such a way that charges may be made, without interruption, against their cumulative shares of the Community quota.

2. Each Member State shall ensure that importers of the said product established in its territory have free access to the shares allocated to it.

3. The Member States shall charge against their shares imports of the said product, when the product is entered for home use.

4. The extent to which a Member State has used up its share shall be determined on the basis of the imports charged in accordance with paragraph 3.

Article 8

The Member States shall regularly inform the Commission of imports actually charged against their shares.

Article 9

The Member States and the Commission shall cooperate closely to ensure that this Regulation is observed.

Article 10

This Regulation shall enter into force on 1 January 1976.

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

Done at Brussels,

For the Council

The President

Draft

REGULATION (EEC) No .../75 OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota for yarn, spun entirely from silk waste other than noil, not put up for retail sale, falling within heading No ex 50.05 of the Common Customs Tariff for 1976

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof;

Having regard to the draft Regulation submitted by the Commission;

Whereas, in accordance with the resolution passed at its meeting of 29 to 31 May 1967, the Council, by its Regulation (EEC) No 323/70⁽¹⁾, reintroduced until 31 December 1976 the 7 % autonomous duty of the Common Customs Tariff for yarn, spun entirely from silk waste other than noil, not put up for retail sale, falling within heading No ex 50.05; whereas the conventional duty for that product is 3.5 %;

Whereas the aforesaid resolution further provides for the opening in respect of that period and for such yarn of an annual Community tariff quota with reduced duty or nil duty where a change in the sources of supply or an insufficient supply within the Community might have adverse results for the processing industries in the Member States;

Whereas yarn spun from waste silk is produced in the Community; whereas although that production should cover all the Community requirements by reason of its overall volume, this does not apply with regard to yarn entirely spun from waste silk; whereas there is, as a result, an insufficient supply in the Community;

Whereas consequently Community supply for those qualities of yarn depends to a considerable extent on imports; whereas full application of the duty under the Common Customs Tariff would result in those products being subjected to a considerable customs charge while products manufactured from silk yarn face powerful competition from similar products manufactured from other material; whereas an insufficient supply within the Community, added to competition at finished product level, might have adverse results for the Community's processing industries;

⁽¹⁾ OJ No L 43, 24. 2. 1970, p. 8.

Whereas the duty under the Common Customs Tariff applicable on imports of the silk waste yarn in question is 3.5 %; whereas when fixing the quota duty it is appropriate to take into account, on the one hand, the situation of the Community industry producing yarn spun from waste silk and, on the other, that of the industries processing yarn spun from waste silk with regard to their obtaining supplies on favourable terms; whereas a quota duty of 1 % could best satisfy the abovementioned requirements;

Whereas the trend in imports during the past few years and the first months of 1974 suggest that Community import requirements of the yarns in question might be in the region of 220 metric tons for 1976; whereas the opening of a Community tariff quota of that volume is unlikely to harm Community production;

Whereas equal and continuous access to the quota should be ensured for all importers and the rate of levy for the tariff quota should be applied consistently to all imports of the product in question until the quota is used up; whereas utilization of the Community tariff quota based on an allocation between the Member States concerned would in the light of the principles outlined above appear consistent with the Community nature of the quota; whereas to represent as closely as possible the actual trend of the market in the product in question the allocation should follow proportionally the requirements of the Member States calculated both from statistics of imports during a representative reference period and from the economic outlook for the tariff year in question;

Whereas the imports of the products falling within heading No 50.05 of each of the Member States concerned during the past three years for which complete statistics are available represent the following percentages of total Community imports of these products:

	1972	1973	1974
Benelux	0.1	1.5	1,0
Denmark	0.1	0.0	0,0
Germany	41.0	43.7	50,0
France	10.8	7.2	10,0
Ireland	0.6	0.0	0,0
Italy	38.7	36.0	33,0
United Kingdom	8.7	12.6	6,0

Whereas in view of these factors and of the forecasts which it is possible to make the initial percentage, shares in the quota volume can be expressed approximately as follows:

Benelux	0,6
Denmark	0,6
Germany	51,7
France	9,7
Ireland	0,6
Italy	32,3
United Kingdom	4,5

Whereas, to take account of future import trends for the product under consideration, the total quota volume should be divided into two successive amounts, the first being allocated and the second held as a reserve to cover at a later date the requirements of Member States who have used up their initial share; whereas to give importers some degree of certainty the first successive amount of the Community quota should be fixed at 80 % of the total quota;

Whereas the initial shares may be used up more or less quickly; whereas, therefore, to avoid disruption of supplies any Member State which has almost used up its initial share, must draw a supplementary share from the reserve; whereas this must be done by each Member State as each one of its supplementary shares is almost used up, and as many times as the reserve allows; whereas the initial and supplementary shares must be valid until the end of the quota period; whereas this form of administration requires close collaboration between the Member States and the Commission, and the Commission must be in a position to follow the extent to which the quota volume has been used up and inform the Member States thereof;

Whereas if, at given date in the quota period, a considerable quantity is left over in a Member State, it is essential that such State should return a substantial proportion to the reserve, to prevent part of the total quota from remaining unused in one Member State while it could be used in others;

Whereas since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are jointly represented by the Benelux Economic Union, any measure concerning the administration of the shares allocated to that Economic Union may be carried out by one of its members,

HAS ADOPTED THIS DECISION:

Article 1

1. From 1 January to 31 December 1976 the autonomous duty of the Common Customs Tariff for yarn, spun entirely from silk waste other than noil, not put up for retail sale, falling within heading No ex 50.05, shall be suspended at 1 % in respect of a Community tariff quota of 190 metric tons.

2. Within the limits of this tariff quota, the new Member States shall apply the duties calculated in accordance with the relevant provisions of the Act of Accession.

Article 2

1. A first successive amount of 155 metric tons of this Community tariff quota shall be allocated among the Member States; the shares shall, subject to Article 5, be valid until 31 December 1976 and shall be as follows:

Benelux	1 metric ton
Denmark	1 metric ton
Germany	80 metric tons
France	15 metric tons
Ireland	1 metric ton
Italy	50 metric tons
United Kingdom	7 metric tons

2. The second successive amount, of 40 metric tons, shall be held in reserve.

Article 3

1. If 90 % or more of a Member State's initial share specified in Article 2 (1) or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, that Member State shall without delay, by notifying the Commission, draw a second share, to the extent that the reserve is sufficient, equal to 10 % of its initial share, rounded up where necessary to the next unit.

2. If, after its initial share has been used up, 90 % or more of the second share drawn by a Member State has been used up, that Member State shall without delay, under the conditions laid down in paragraph 1, draw a third share equal to 5 % of its initial share.

3. If, after its second share has been used up, 90 % or more of the third share drawn by a Member State has been used up, that Member State shall without

delay, under the same conditions, draw a fourth share equal to the third.

This process shall apply until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, the Member States may draw shares lower than those fixed in those paragraphs if there are grounds for considering that those fixed may not be used up. They shall inform the Commission of their reasons for applying this paragraph.

Article 4

Supplementary shares drawn pursuant to Article 3 shall be valid until 31 December 1976.

Article 5

The Member States shall return to the reserve, not later than 1 October 1976, the unused portion of their initial share which, on 15 September 1976, is in excess of 20 % of the initial amount. They shall return a greater portion if there are grounds for considering that it may not be used up.

The Member States shall, not later than 1 October 1976, notify to the Commission the total quantities of yarn from silk waste imported up to and including 15 September 1976 and charged against the Community tariff quota and any fractions of the initial share returned to the reserve.

Article 6

The Commission shall keep an account of the shares opened by the Member States pursuant to Articles 2 and 3 and shall, as soon as it has been notified, inform each State of the extent to which the reserve has been used up.

It shall inform the Member States not later than 5 October 1976 of the amount held in reserve after

amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which finally uses up the reserve is limited to the balance available and to this end shall specify the amount thereof to the Member State making the last drawing.

Article 7

1. The Member States shall take all appropriate measures to ensure that supplementary shares drawn pursuant to Article 3 are opened in such a way that charges may be made, without interruption, against their cumulative shares of the Community quota.

2. Each Member State shall ensure that importers of the said product established in its territory have free access to the shares allocated to it.

3. The Member States shall charge against their shares imports of the product in question, when the product is entered for home use.

4. The extent to which a Member State has used up its share shall be determined on the basis of the imports charged in accordance with paragraph 3.

Article 8

The Member States shall regularly inform the Commission of imports actually charged against their shares.

Article 9

The Member States and the Commission shall cooperate closely to ensure that this Regulation is observed.

Article 10

This Regulation shall enter into force on 1 January 1976.

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

Done at Brussels,

For the Council
The President

