

EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 450/78

Report

drawn up on behalf of the Committee on External
Economic Relations

on the proposal from the Commission of the
European Communities to the Council (Doc. 367/78)
for a regulation temporarily and partially
suspending the autonomous Common Customs Tariff
duties on certain types of fish

Rapporteur: Lord KENNET

1.2.1.

PE 55.505/fin.

By letter of 6 October 1978 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a Council regulation (EEC) temporarily and partially suspending the autonomous Common Customs Tariff duties on certain types of fish.

The President of the European Parliament referred this proposal to the Committee on External Economic Relations as the committee responsible and to the Committee on Budgets and the Committee on Agriculture for their opinions.

On 30 October 1978 the Committee on External Economic Relations appointed Lord Kennet rapporteur.

It considered this proposal at its meetings of 30 October and 14 November 1978 and approved it unanimously on the latter date.

Present: Mr Scott-Hopkins, vice-chairman and acting chairman; Mr Martinelli, vice-chairman; Lord Kennet, rapporteur, Mr Amadei, Lord Castle, Mr Fitch, Mr Hughes (deputizing for Sir Geoffrey de Freitas), Lord St. Oswald and Mr Spicer.

The opinions of the Committee on Budgets and of the Committee on Agriculture are attached.

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The Committee on External Economic Relations hereby submits to the European Parliament the following motion for a resolution together with explanatory statement :

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation temporarily and partially suspending the autonomous Common Customs Tariff duties on certain types of fish

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council¹,
- having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 367/78),
- having regard to the report of the Committee on External Economic Relations and the opinions of the Committee on Budgets and the Committee on Agriculture (Doc. 450/78),

1. Approves the Commission's proposal;
2. Considers it legally inadmissible, however, that the European Parliament was not consulted on Council Regulation (EEC) No. 965/78 of 8 May 1978¹ temporarily suspending the autonomous Common Customs Tariff duties on a number of agricultural products -including these types of fish- for a period varying from 6 to 12 months, which entered into force on 1 July 1978.

¹OJ No C 241, 11.10.1978, p. 9

²OJ No. L 125, 13.5.1978, p. 4

EXPLANATORY STATEMENTI. INTRODUCTION

The explanatory memorandum of the Commission reads as follows :

"The Community's processing industry for fish is not sufficiently supplied with cod, haddock, and hake by Community fishermen. Denmark especially has become dependant on imports of these fish from third countries (see estimated indications for the first half-year 1979 in the annex to this explanatory memorandum). The Common Customs Tariff duties applicable to these fish (15/18 %) reduce the competitiveness of the industry concerned compared with the prices of suppliers of finished products from third countries which are cheaper. Furthermore the rise in the prices should be met. For these reasons Denmark has requested a duty suspension for the fish in question.

Weighing the interests of Community fishermen and those of the Community's processing industry the Commission thinks that a duty suspension to a level of 10 % is appropriate. The Commission therefore proposes in the attached Regulation that the present duty suspension which expires on 31 December 1978 should be prolonged for a new period of six months."

II. OBSERVATIONS

a) The Committee on External Economic Relations notes that the European Parliament was not consulted on the regulation adopted by the Council on 8 May 1978 suspending duties for these types of fish for the period 1 July - 31 December 1978 (1). That regulation was based on Article 28 of the EEC Treaty, which does not stipulate that the European Parliament must be consulted. Besides there was no formal proposal from the Commission. The present proposal for a renewal is based on Article 43, which does stipulate consultation of the European Parliament.

From a legal point of view, this is an inadmissible situation.

b) From the explanatory memorandum the Commission gives the impression that the present regulation has been made only at the request of Denmark. We would like to make it clear that this regulation concerns the whole of the Community and that other Member States also wish to continue to suspend these common customs tariff duties for the first half-year of 1979, although the Danish fish-processing industry is the biggest.

(1) No. 965/78; OJ L 125, 13 May 1978.

c) Furthermore we would like to emphasize the fact that this suspension only concerns fish intended for human consumption. In other words it is not the intention of the Commission to provide the fish-meal industry with cheap supplies of fish. This is an important fact in view of the needs of fish conservation policy.

d) Finally, it should be stressed that the present regulation is to the advantage of the fish-processing industry in the Community compared with the fish-processing industry in third countries. As a matter of fact, the duty on the import of canned fish, which is at a level of 15 per cent, is not reduced by this regulation.

Taking these observations into consideration the Committee on External Relations recommends that the European Parliament approve the present regulation, which aims at the continuation of the existing situation.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the chairman of the committee to Mr G. KASPEREIT,
chairman of the Committee on External Economic Relations

Strasbourg, 14 November 1978

Subject: Regulation temporarily and partially suspending the
autonomous Common Customs Tariff duties on certain
types of fish (Doc. 367/78)

Dear Mr Kasper eit,

The Committee on Budgets examined the above proposal at its meeting
of 13 November 1978¹.

The proposed regulation is intended to meet a request by Denmark,
which claims that its fish-processing industry is having to bear the
consequences of insufficient supplies from Community fishermen.

Although, in the absence of Community statistics, the financial
statement show; no clear figures for the expected loss in customs revenue
but simply indicates an estimated loss of 800,000 EUA for a six-month
period, and although the Commission has still not presented an overall
survey of revenue losses arising from customs preferences, the Committee
on Budgets can deliver a favourable opinion.

A temporary and partial suspension of the autonomous customs duties
for certain types of fish is in line with existing Community policy.

.....

(sgd.) Erwin LANGE

¹ Present : Mr Lange, chairman; Mr Cointat, vice-chairman; Mr Caro,
Mrs Dahlerup, Mr Dankert, Mr Nielsen, Mr Ripamonti, Mr Shaw and Mr Würtz.

OPINION OF THE COMMITTEE ON AGRICULTURE

Draftsman : Mr G. L'ESTRANGE

On 30/31 October 1978, the Committee on Agriculture appointed Mr L'Estrange draftsman.

It considered the draft opinion at its meeting of 14 November 1978 and adopted it unanimously at the same meeting.

Present : Mr Caillavet, chairman; Mr Liogier, Mr Ligios and Mr Hughes, vice-chairmen; Mr L'Estrange, draftsman; Mr Albertini, Mr Andersen, Mr Brégégère, Mr Brugger, Mr Corrie, Mr Cunningham, Mr Dewulf, Mrs Dunwoody, Mr Halvgaard, Mr Howell, Mr Nielsen (deputizing for Mr Cifarelli), Mr Pisoni, Mr Pucci, Mr Scott-Hopkins, Mr Soury, Mr Tolman and Mr Vitale.

The need for a tariff reduction

1. The Community catches of cod, haddock and hake are insufficient to meet the requirements of the Community, and in particular the Danish, processing industry. Given the existence of a 15 - 18 per cent tariff, the need to import a significant proportion of supplies undermines the competitive position of Community processers, compared to processers in third countries who can obtain supplies more cheaply. In order to improve the competitive position of the Community processers and also to safeguard the interests of consumers, the Commission proposes a 30 per cent reduction in tariffs, from 15 to 10 per cent.

2. It is essential, at the same time, that a degree of protection be maintained, particularly for fresh fish, so as to ensure that Community processers first obtain supplies from Community fishermen. Foreign boats land their fish for Community auctions and, without a protective element, the Community prices would be seriously affected. For this reason the Commission proposes a tariff reduction rather than a total suspension.

The need for prudence

3. The Commission had considered a 50 per cent tariff reduction, from 15 to 7½ per cent. The Commission has, however, difficulties in obtaining adequate statistics quickly at this time of the year. For these reasons the Commission has proposed an initial reduction of 30 per cent in the tariffs and then will consider on the basis of better statistical information an appropriate tariff reduction for a further six month period.

Prices to producers

4. Given reduced Community catches, prices in the Community are high and there is no danger that during the winter months prices will decrease to any significant extent. The high level of prices is shown by a comparison of the reference price to the market price:

	<u>Reference Price</u>	<u>Market Price</u>
Cod	402	376 - 934
Haddock	290	477 - 836
Hake - fresh	833	600 - 2348
Hake - frozen	663	660

Conclusions

5. The Committee on Agriculture can approve the proposed tariff reduction which will improve the position of Community processers of cod, haddock and hake, vis-à-vis third country processers. A tariff reduction will not have any serious effects upon the Community prices.

6. The Committee on Agriculture, at the same time, wishes to protest most energetically at the fact that the European Parliament was not consulted on a previous proposal to suspend tariff duties for certain types of fish¹. Such a flagrant disregard for the rights of the European Parliament as laid down in the Treaties cannot be tolerated.

7. Finally, your draftsman would like to make a plea for greater clarity in the language used by the Commission in its proposals. The Commission, in its own words, speaks of a temporary and partial tariff suspension, with the tariff to be suspended at 10%. A common definition of the word 'suspension' is to bring to a halt temporarily. Any suspension is therefore temporary. The concept of a partial bringing to a halt is one that defies comprehension. To those not versed in Community jargon, the word suspension would lead to the idea that the tariff would be reduced to zero. Where the Commission wishes to convey the idea that a tariff is to be reduced for a limited period, it would contribute to greater understanding if the words 'a temporary tariff reduction' were to be used.

¹Reg. No. 965/78, OJ No. L 125, 13.5.78, p.4

