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Report

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drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 100/74) for a regulation temporarily suspending the autonomous duties in the Common Customs Tariff on a number of agricultural products

Rapporteur: Mr Isidor FRÜH

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PE 36.992/fin.

 By letter of 10 May 1974 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 regulation temporarily suspending the autonomous duties in the Common Customs Tariff on a number of agricultural products.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and the Committee on External Economic Relations as the committee asked for its opinion.

The Committee on Agriculture appointed Mr Früh rapporteur at its meeting of 24 May 1974.

It considered this proposal at the same meeting and unamimously adopted the following motion for a resolution.

The following were present: Mr Houdet, chairman; Mr Laban, vice-chairman; Mr Früh, rapporteur; Mr Brugger, Mr Delmotte (deputizing for Mr Dalsager); Mr Frehsee, Mr Gibbons, Mr De Koning, Mr Liogier, Miss Lulling, Mr Martens, Mr Brøndlund Nielsen (deputizing for Mr Lefebvre) and Mr Thornley (deputizing for Mr Kavanagh).

The opinion of the Committee on External Economic Relations is attached.

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The Committee on Agriculture 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 suspending the autonomous duties in the Common Customs Tariff on a number of agricultural products

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(74) 567 final),
- having been consulted by the Council, pursuant to Article 43 of the Treaty establishing the EEC (Doc. 100/74),
- having regard to the report by the Committee on Agriculture (Doc. 116/74) and the opinion of the Committee on External Economic Relations,
- 1. Approves the Commission's proposal;
- 2. Reminds the Commission, however, that it has been asked by Parliament to submit a report¹ on the reasons for the inadequate supplies of some of the agricultural products referred to in this regulation;
- 3. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities.

 $^{^{1}}$ OJ No. C 49, 28 June 1973

EXPLANATORY STATEMENT

The Committee on Agriculture has already considered on several occasions various proposals for regulations suspending the autonomous duties in the Common Customs Tariff on a number of agricultural products.

The object of this proposal is the temporary suspension of CCT-duties on certain agricultural products. This measure will ensure that supplies to the Community processing industry of products which are not produced in the Community or are produced in insufficient quantities are guaranteed on favourable terms. A time limit is laid down for the total or partial suspension of the duties concerned.

The Committee on Agriculture approves the Commission's proposals and the explanations given in the explanatory memorandum.

However, it reiterates the hope, already expressed in the past, that the Commission will submit to the European Parliament and the Council a more detailed report on the reasons for the inadequate supplies that have led to the suspension of tariff duties (zero-duty or reduced duty as the case may be) to allow the Community processing industry to remain competitive visávis third countries.

In the committee's view, the report should contain suggestions for specific measures in the fisheries sector. Such measures should of course be combined with more general measures of environmental protection, in particular to combat the pollution of both sea and river water in traditional fishing areas.

Opinion of the Committee on External Economic Relations

Draftsman of the Opinion : Mr J. BAAS

The Committee on External Economic Relations appointed Mr Baas draftsman for an opinion on 4 June 1974.

It considered the draft opinion at its meeting of 4 June 1974 and adopted it unanimously.

The following were present: Mr de la Malene, chairman; Mr Boano and Mr Fellermaier, vice-chairmen; Mr Baas, rapporteur; Mr Bangemann, Sir Tufton Beamish, Mr Brégégère, Lord Chelwood, Mr Corterier, Mr Cousté, Mr D'Angelosante, Mr Flämig (deputizing for Mr Rizzi), Mr Martens (deputizing for Mr Dewulf), Mr Kaspereit, Mr De Koning, Lord Lothian, Mr Maigaard, Mr Emile Muller, Mr Patijn, Mr Radoux, Lord St. Oswald, Mr Sandri, Mr Schmidt (deputizing for Mr Lange), Mr Thornley and Mr Vetrone.

1. At its meetings in March 1974, the Joint Group of government experts which meets under the aegis of the Commission to study economic problems relating to the Common Customs Tariff unanimously declared itself in favour of the total or partial suspension of Common Customs Tariff duties on a number of agricultural products. Suspension has already been put into effect for some of them but is due to expire on 15 or 30 June 1974; a number of Member States have submitted applications for the suspension of Common Customs Tariff duties in respect of certain other products with effect from 1 July, 1 September or 15 October 1974.

The agricultural products that figure in the proposed regulation under consideration are as follows: fish, certain types of oyster, chanterelles, bilberries, rose-hips, dates, saffron, ground paprika, bitter or Seville oranges, dried apricots, Christmas trees, shelled cashew nuts, certain types of cod and almonds.

- 2. Total or partial suspension of duties is justified, first and foremost, by the non-existence or inadequacy of Community production of such goods.
- 3. A further consideration justifying the total or partial suspension of Common Customs Tariff duties on the products in question is the need to enable the processing industries based in the territory of the European Community to obtain raw materials more cheaply, thereby increasing their competitiveness vis-à-vis finished products from third countries sold at lower prices.

- 4. Total or partial suspension of Common Customs Tariff duties might have a salutary effect on the business of firms concerned with the processing of the abovementioned agricultural products, thereby helping to ensure a satisfactory level of employment in those industries, which are sometimes located in areas where employment opportunities are very limited.
- 5. It is pleasing to note that total or partial suspension of Common Customs Tariff duties as provided for in the proposed regulation under examination is intended as a temporary measure only. It is felt that in the medium and long term it is desirable for Community production of the agricultural products in question to be developed and raised to a sufficiently high level to meet the demand for such products within the Community.
- 6. In view of the difficulty of assessing accurately the short-term trends in the economic situation of the sectors concerned, it would be helpful if the Commission could provide information about the development of the economic situation in those sectors so as to make possible a rough forecast as to the date by which Community production may be adequate to satisfy demand and thus allow the recurrent suspension of Common Customs Tariff duties to be discontinued.